THE ISLAND REGULATORY AND APPEALS COMMISSION

APPEALS

LAND

PETROLEUM

UTILITIES

RENT

# ANNUAL REPORT 2001-02

103-00743/

# Island Regulatory & Appeals Commission Report

For the Year Ending 31 March 2002

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COMMISSION DE RÉGLEMENTATION ET D'APPELS DE L'Île

THE ISLAND REGULATORY AND APPEALS COMMISSION

To:
The Honourable Jeffrey Lantz
Minister of Education
Province of Prince Edward Island

Sir:
The Island Regulatory and Appeals Commission has the honour to present its Annual Report for the year ended March 31, 2002.

Respectfully submitted,

Ginger Breedon
Chair

# Administration Report

**Commission Personnel**
(as of March 31, 2002)

**Full-time Commissioners:**

| | |
|---|---|
| **Chair and Chief Executive Officer** | - Stirling (Ginger) Breedon |
| **Vice-Chair** | - Maurice Rodgerson |

**Part-time Commissioners:**

- James Carragher
- Norman Gallant
- Arthur Hudson
- Kathy Kennedy
- Anne Petley

**Staff Positions**

**Corporate Services:**

| | |
|---|---|
| Director | - Eileen Callaghan |
| Commission Administrator | - Diane Gaudet |
| Receptionists | - Kay Ross (On Secondment) |
| | - Carol Green (Morning) |
| | - Ella Adams (Afternoon) |

**Land Division:**

| | |
|---|---|
| Director | - Vacant |
| Senior Land Officer | - Sandy Foy |
| Land Officer | - Philip Rafuse |
| Secretary | - Janice MacKinnon |

**Office of the Director of Residential Rental Property:**

| | |
|---|---|
| Director | - Twila Whalen |
| Rental Officer | - Shayne Hogan |
| Rental Officer | - John Keizer |
| Secretary | - Kay Driscoll |

**Technical and Regulatory Services Division:**

| | |
|---|---|
| Director | - Donald G. Sutherland |
| Assistant Director, Petroleum | - Harry MacDonald |
| Research Analyst | - Heather Walker |
| Systems Specialist | - Daniel Arsenault |
| Technical Assistant | - Donna Chandler |
| Secretary | - Faye Weeks |

## Introduction

The Island Regulatory and Appeals Commission is established by the *Island Regulatory and Appeals Commission Act*, R.S.P.E.I. 1988 Cap. I-11.

The principal *Acts* under the administration of the Commission are:

*Lands Protection Act*

*Rental of Residential Property Act*

*Petroleum Products Act*

*Electric Power and Telephone Act*

*Water and Sewerage Act*

*Maritime Electric Company Limited Regulation Act*

In addition to administering these *Acts*, the Commission's responsibilities include appellate responsibilities under the *Planning Act*, the *Unsightly Property Act*, the *Revenue Administration Act* (appeals on taxation under the *Gasoline Tax Act*, the *Health Tax Act*, the *Revenue Tax Act*, and the *Environment Tax Act* ), the *Real Property Assessment Act*, the *Real Property Tax Act*, the *Roads Act* and the *Heritage Places Protection Act*. The Commission has responsibility under the *Municipalities Act* for conducting public hearings and making recommendations to the Minister on municipal boundary extension applications. The Commission also issues permits for the movement of buildings.

## Chair's Comments

The Prince Edward Island Regulatory and Appeals Commission fulfills a broad mandate for the people of Prince Edward Island in carrying out regulatory, administrative and appeal functions under numerous Provincial statutes. The Commission's wide ranging role is unique in Canada and reflects a practical, efficient and effective approach to addressing these functions in a jurisdiction the size of Prince Edward Island.

As Chair of the Commission, I am proud of the professionalism and commitment the staff and Commissioners bring to their duties on behalf of all Islanders. This professionalism and commitment has been nurtured and supported over the years by the Chairs of IRAC and its two predecessors, the Land Use Commission and the Public Utilities Commission.

It was therefore with mixed feelings that we in the Commission learned in late summer of 2001 that our Chair for the past four years, Wayne D. Cheverie, Q.C., had been appointed to the Trial Division of the Supreme Court of Prince Edward Island. While we were extremely pleased Wayne received such a wonderful opportunity, we were also very sorry from a personal and corporate perspective that we lost him from the Commission. Wayne has spent many years working on behalf of the public of Prince Edward Island. His service has been exemplary and his leadership in and commitment to public service unquestionable. His new role as a Justice in the Supreme Court will allow him to continue to build on this very fine record.

On a personal note, I have had the privilege of working with Wayne in a number of different roles over the years including the last four years, on an every day basis, with the Commission. Our working relationship has always been enjoyable and has provided an excellent learning and working experience for me. I will miss Wayne's counsel and guidance.

All of us at IRAC extend our heartfelt congratulations to Mr. Justice Cheverie and wish him every possible success and fulfillment in his new career. We know this new challenge will see a continuation of his exemplary service to the public of Prince Edward Island.

With the departure of Mr. Justice Cheverie from the Commission, I have been given the honour to serve as Chair of the Island Regulatory and Appeals Commission. It is my hope that I will be able to continue the fine work of the previous Chairs. I know I will be very ably assisted by our new Vice-Chair, Mr. Maurice (Moe) Rodgerson, in meeting this challenge. Mr. Rodgerson had been the Commission's third full-time Commissioner prior to his appointment to the Vice-Chair position. Mr. Rodgerson's broad range of knowledge and experience will serve the Commission well in his new position. I look forward to our continued working relationship.

The main body of this Annual Report contains substantial detail on the activity and operations of IRAC for fiscal year 2001-02. The Commission believes this detailed reporting is important in being fully accountable for, and transparent in, our activities. In turn, we believe accountability and transparency are key to maintaining the Commission's independence and credibility.

Overall responsibility for the general administration of the Commission is led by our Corporate Services Division. This Division ensures that adequate resources are available and are properly managed and accounted for in support of the Commission's operations. These types of functions are essential to the successful and accountable operation of any organization. They are very effectively handled by the staff of the Corporate Services Division.

While the Commission's Land Division has responsibilities under eight different Provincial statutes, the bulk of its work involves substantial administrative functions under the ***Lands Protection Act*** and appeals under the ***Planning*** and ***Real Property Assessment Acts***.

In the case of appeals under the ***Planning Act***, the Land Division continues to offer, wherever possible, a mediation process for the involved parties. We are pleased that parties to such appeals are showing increased interest in this alternative dispute resolution process, and those that do are better served whether or not the mediation effort produces an agreed settlement. We have found that even where the process does not achieve an agreed to settlement, the involved parties are much better prepared for the subsequent formal hearing process. It is the Commission's intention to continue to actively promote the mediation process for appeals under the ***Planning Act***.

The Land Division has also spent time in the past year working on an expanded report on non-resident land ownership trends in the Province. This is in follow up to a report prepared by the Division in 2001 titled "Report on Trends in Non-Resident Land Ownership 1994 to 2000". The Division has been working on expanding the data fields that can be utilized to provide more detailed information on non-resident ownership trends – an ongoing important public policy consideration for the Province. The expanded new report should be available in the summer of 2002.

An increasingly better informed public continue to place a heavy demand on the services of the Residential Rental Property Division. Fiscal year 2001-02 saw increases in the number of applications received and the number of orders issued by the Division. The Division also experienced an increase in inquiries to 15,383 or approximately 62 for every business day. The work of the Division's staff touches the lives, in a very direct and frequently personal way, of many hundreds of Islanders each year. The importance of their work in helping to maintain a fair and balanced playing field for all parties in the Province's rental market is without question.

During the year, the rental segment of the Commission's website was expanded to better serve the public. All forms under the ***Rental of Residentinl Property Act*** are now available online. These forms can be filled in online, printed and filed at the Commission's offices or at any Access PEI Centre. The public can now also access a "Frequently Asked Questions" section on the Commission's website which provides clear answers to many of the common questions lessees and lessors have regarding their rights and responsibilities under the ***Rental of Residential Property Act***. This information is now available to the public 24 hours a day, 365 days a year.

The Technical and Regulatory Services Division is involved in a number of important regulatory functions which directly affect many (e.g. water and sewer utilities) or all (e.g. petroleum licensing and pricing) Islanders. This report contains substantial information on all regulated responsibilities. The Division is also responsible for the Commission's internal and external IT systems, which are acknowledged as being first class. The Commission's external website (www.irac.pe.ca) receives many positive comments from users and continues to see increased visitors with some 27,000 log ons taking place in the past year.

Important legislative changes have been made in the past year in the regulation of electric utilities in the Province. As noted in the Commission's 2000-01 Annual Report, a hearing into an announced increase of 4.53 percent in power rates by Maritime Electric Company Limited had just commenced by that year end. This hearing was subsequently terminated and the Maritime Electric increase of 4.53 percent was authorized by the Legislative Assembly pursuant to ***An Act to Amend the Maritime Electric Company Limited Regulation Act***, which was assented to on May 15, 2001.

Subsequent to the amendments to the ***Act***, Lieutenant Governor in Council approved the Maritime Electric Company Limited Regulation Act Base Rate Adjustment Regulations, which set forth formulas wherein Maritime Electric can automatically adjust the rates it charges its customers on April 1 of each year. The City of Summerside Electric Utility can also charge its customers the same rates as Maritime Electric. The implementation of the changes to the ***Act*** and the passing of the Base Rate Adjustment Regulations now means that the Provincial Government effectively regulates the electrical rates charged consumers by the Province's two electrical utilities.

Increased construction activity by water and wastewater utilities was experienced during the year and will carry on into next year as the most recent federal-provincial infrastructure program moves forward. This type of program is extremely important and is required to meet the substantial needs for improvements, expansions and additions of water and wastewater systems throughout the Province. With the increasing emphasis on environmental and water quality issues, the public is demanding more and better services from their utilities.

Before closing out my comments, I want to acknowledge and thank the Vice-Chair, Moe Rodgerson, the part-time Commissioners and the staff of the Commission for their excellent work and commitment in carrying out IRAC's responsibilities in serving the interests of all Islanders. As is frequently said, a team is only as strong as its weakest link. I have the pleasure of working with a very strong and dedicated team at IRAC.

## Commentaires du Président

La Commission de réglementation et d'appels de l'Île-du-Prince-Édouard (CRAÎ) remplit des fonctions très larges pour la population de l'Île-du-Prince-Édouard dans les domaines de la réglementation, de l'administration et des appels en vertu de plusieurs lois provinciales. Le rôle de grande envergure de la Commission est unique au Canada et il se manifeste en abordant ces fonctions d'une manière pratique et efficace sur un territoire de la taille de l'Île-du-Prince-Édouard.

À titre de président de la Commission, je suis fier du professionnalisme et de l'engagement que le personnel et les commissaires démontrent dans l'exécution des tâches qu'ils accomplissent au nom de tous les Insulaires. Le professionnalisme et l'engagement en question ont été alimentés au cours des années par les présidents de la CRAÎ et par les prédécesseurs de la Commission, la Commission sur l'utilisation des terres et la *Public Utilities Commission*.

C'est donc avec des sentiments mitigés que nous, à la Commission, avons appris à la fin de l'été 2001 que notre président des quatre dernières années, Wayne Cheverie, c.r. avait été nommé à la Section de première instance de la Cour supérieure de l'Île-du-Prince-Édouard. Même si nous étions extrêmement heureux de la magnifique occasion offerte à Wayne, nous éprouvions en même temps de vifs regrets, tant au plan personnel que professionnel, de le voir quitter la Commission. Wayne a travaillé durant plusieurs années pour le compte de la population de l'Île-du-Prince-Édouard. Ses états de service ont été exemplaires, et son influence ainsi que son engagement auprès du public sont indiscutables. Son nouveau rôle de juge à la Cour suprême lui permettra de continuer à ajouter à son remarquable dossier.

De mon côté, j'ai eu le privilège de travailler avec M. Cheverie dans plusieurs rôles différents au cours des années, notamment les quatre dernières, sur une base quotidienne, auprès de la Commission. Au travail, notre relation a toujours été agréable et elle m'a permis d'en retirer une excellente formation. Sa conduite et ses conseils me manqueront. Toutes et tous à la CRAÎ, nous offrons nos sincères félicitations à monsieur le juge Cheverie, et nous lui souhaitons d'obtenir tout le succès possible et de se réaliser pleinement dans sa nouvelle carrière. Nous savons que cette nouvelle entreprise lui permettra de poursuivre son service exemplaire auprès de la population de l'Île-du-Prince-Édouard. Avec le départ de monsieur le juge Cheverie de la Commission, on m'a accordé l'honneur de siéger comme président de la Commission de réglementation et d'appels de l'Île-du-Prince-Édouard. J'espère être capable de poursuivre le bon travail des présidents antérieurs. Je sais que je serai très bien secondé par notre nouveau vice-président, monsieur Maurice (Moe) Rodgerson, pour mener la tâche à bien. Avant sa nomination au poste de vice-président, monsieur Rodgerson avait été le troisième commissaire à temps plein de la Commission. Ses vastes connaissances et expériences serviront bien la Commission dans son nouveau poste. Nous serons heureux de continuer à travailler ensemble.

L'essentiel de ce rapport annuel contient de nombreux détails concernant les activités de la CRAÎ au cours de l'exercice financier 2001-2002. La Commission croit qu'il est important de procéder ainsi pour être pleinement responsable de ses activités et transparente dans celles-ci. Par ailleurs, nous croyons que la responsabilité et la transparence sont essentielles au maintien de l'indépendance et de la crédibilité de la Commission.

La responsabilité globale de l'administration générale de la Commission incombe à notre Division de la gestion organisationnelle. La Division veuille à ce que les ressources adéquates soient disponibles, bien gérées et comptabilisées à l'appui des activités de la Commission. Les fonctions de cette nature sont essentielles au succès

des activités et à l'obligation de rendre compte de tout organisme. Elles sont exercées très efficacement par le personnel de la Division de la gestion organisationnelle.

Bien que la Division des terres de la Commission assume des responsabilités en vertu de huit différentes lois provinciales, la plus grande partie de son travail a trait à des fonctions administratives importantes prévues par la *Lands Protection Act* (Loi sur la protection des terres) et aux appels introduits en vertu des *Planning and Real Property Assessment Acts* (Lois sur la planification et sur l'évaluation foncière). Dans le cas des appels sous la Loi sur la planification, la Division des terres continue d'offrir, dans toute la mesure du possible, un processus de médiation pour les parties en cause. Nous sommes heureux que ces dernières manifestent un intérêt grandissant pour ce processus de résolution alternatif de litiges, et les parties qui s'en prévalent sont mieux servies, que l'effort de médiation produise ou non un règlement concerté. Nous avons observé que même en l'absence de règlement concerté, les parties en cause sont beaucoup mieux préparées pour le processus d'appel formel ultérieur. La Commission a l'intention de continuer à promouvoir activement le processus de médiation dans le cas des appels en vertu de la Loi sur la planification. La Division des terres a également consacré du temps, au cours de la dernière année, à la préparation d'un rapport sur les tendances des propriétaires fonciers non résidents dans la province. Il s'agit de la suite du rapport intitulé « Rapport sur les tendances des propriétaires fonciers non résidents de 1994 à 2000 », qui a été préparé par la Division en 2001. De plus, la Division s'est efforcée d'augmenter les champs de données pouvant être utilisés pour fournir des renseignements plus détaillés sur les tendances des propriétaires fonciers non résidents – une considération d'intérêt général toujours importante pour la province. Le nouveau rapport détaillé devrait être disponible à l'été 2002.

Un public toujours mieux informé continue d'exiger de plus en plus de services de la Division de la location des immeubles d'habitation. Au cours de l'exercice financier 2001-2002, cette dernière a connu une augmentation du nombre de demandes reçues et du nombre d'ordonnances rendues. La Division a également connu une augmentation des demandes de renseignements (15 383), soit environ 62 chaque jour ouvrable. Le travail du personnel de la Division affecte, très directement et souvent personnellement, la vie de plusieurs centaines d'Insulaires chaque année. L'importance de leur travail, qui consiste à maintenir l'égalité des chances pour toutes les parties intéressées par le marché de la location, ne fait aucun doute.

Au cours de l'année, on a développé la partie location du site Web de la Commission pour mieux servir le public. Il est maintenant possible se procurer en direct tous les formulaires prévus par la *Residential Property Act* (Loi sur les immeubles résidentiels). On peut également les remplir en ligne, les imprimer et les déposer aux bureaux de la Commission ou à un centre Accès Î.-P.-É.. Le public peut maintenant avoir également accès, sur le site de la Commission, à une section traitant des « Questions les plus fréquemment posées » où l'on répond clairement aux nombreuses questions des locateurs et des locataires concernant leurs droits et leurs obligations en vertu de la loi. Le public profite maintenant de ce service 24 heures par jour, 365 jours par année.

La Division des services techniques et de réglementation exerce de nombreuses fonctions de réglementation importantes qui affectent un grand nombre d'Insulaires (p. ex. les services publics d'eau et d'égout) sinon tous (p. ex. la fixation des prix du pétrole et les licences de l'indus-

trie pétrolière). Ce rapport contient des renseignements détaillés sur toutes les responsabilités en matière de réglementation. La Division est également responsable des systèmes de TI internes et externes de la Commission qui sont reconnus comme étant de première classe. Le site Web externe de la Commission (www.irac.pe.ca) reçoit beaucoup d'éloges des utilisateurs et continue d'accueillir de plus en plus de visiteurs dont quelques 27 000 au cours de la dernière année.

Des modifications législatives importantes ont été apportées au cours de la dernière année à la réglementation des services d'électricité dans la province. Tel que mentionné dans le rapport annuel 2000-2001 de la Commission, l'audition à propos de l'annonce d'une augmentation de 4,53 pour cent du coût de l'électricité par Maritime Electric Company Limited débutait tout juste à la fin cette année-là. Cette audition s'est terminée par la suite, et l'augmentation de 4,53 proposée par la compagnie a été autorisée par l'Assemblée législative en vertu de la *Act to Amend the Maritime Electric Company Limited Regulation Act* (Loi visant à modifier la Loi sur les règlements de la *Maritime Electric Company Limited*) qui a été sanctionnée le 15 mai 2001.

À la suite des modifications à la Loi, le lieutenant-gouverneur en conseil a approuvé les *Maritime Electric Company Limited Regulation Act Base rate Adjustment Regulations* (Règlements sur l'ajustement des tarifs de base de la Loi sur les règlements de la *Maritime Electric Company Limited*), qui prévoit les formules par lesquelles Maritime Electric peut automatiquement ajuster les tarifs qu'elle demande à sa clientèle, le 1er avril de chaque année. Le *City of Summerside Electric Utility* (Service d'électricité de la ville de Summerside) peut également exiger de sa clientèle les mêmes tarifs que Maritime Electric. La mise en œuvre des modifications à la Loi et l'adoption des règlements visant à ajuster le tarif de base signifient maintenant que le gouvernement provincial réglemente dans les faits les tarifs de l'électricité exigés des consommateurs par les deux services d'électricité de la province.

Un regain des activités de construction des services d'eau et d'eau d'égout s'est fait sentir au cours de l'année, et continuera à se manifester l'an prochain au fur et à mesure que le récent programme d'infrastructure fédéral-provincial va de l'avant. Ce type de programme est extrêmement important, et il est nécessaire pour répondre aux besoins importants – soit des améliorations, du développement ou des ajouts – en système d'eau et d'eau d'égout partout dans la province. Étant donné que les problèmes d'environnement et de qualité de l'eau occupent de plus en plus d'espace, la population exige de ses services publics une qualité et une quantité de services grandissantes.

Avant de mettre un terme à mes commentaires, je veux reconnaître et remercier le vice-président, Moe Rodgerson, les commissaires à temps partiel et le personnel de la Commission pour leur excellent travail et leur engagement à s'acquitter des responsabilités de la CRAÎ en servant les intérêts de toutes et tous les Insulaires. S'il est vrai qu'une équipe n'est pas plus forte que le plus faible de ses membres, j'ai le plaisir de travailler à la CRAÎ avec une très forte équipe, qui est très dévouée.

The following table provides information on the various rulings and decisions made by the Commission in carrying out its appellate, regulatory and administrative functions and responsibilities.

TABLE 1

**Decisions-Orders-Approvals-Mediations**
(Fiscal Year End)

| **Land Division** | **1993** | **1994** | **1995** | **1996** | **1997** | **1998** | **1999** | **2000** | **2001** | **2002** |
|---|---|---|---|---|---|---|---|---|---|---|
| Planning Act Appeal Decisions | 8 | 9 | 15 | 18 | 14 | 16 | 15 | 24 | 13 | 9 |
| Roads Act - Appeal Decisions | 0 | 0 | 0 | 4 | 2 | 1 | 1 | 0 | 0 | 2 |
| Non-Resident Applications | 75 | 93 | 110 | 105 | 92 | 102 | 94 | 118 | 113 | 104 |
| Corporate Applications | 117 | 93 | 230 | 197 | 162 | 190 | 186 | 227 | 217 | 210 |
| LPA Section 6.1 Permit Applications | n/a | n/a | n/a | n/a | 36 | n/a | 40 | n/a | n/a | n/a |
| Annual Disclosure Statements | n/a | n/a | n/a | n/a | 88* | 92 | 94 | 87 | 98 | 115 |
| Municipal Boundary Extensions | - | - | 1 | 0 | 0 | 1 | 0 | 0 | 1 | 0 |
| Real Property Assessment Act Appeal Decisions | 2 | 5 | 8 | 3 | 6 | 1 | 0 | 4 | 2 | 0 |
| Appeals Mediated | 0 | 0 | 0 | 2 | 7 | 0 | 0 | 3 | 3 | 1 |
| **Total** | **202** | **200** | **364** | **329** | **407** | **403** | **430** | **463** | **447** | **441** |

* See Table 7 - Land Division

| **Office of the Director of Residential Rental Property Division** | **1993** | **1994** | **1995** | **1996** | **1997** | **1998** | **1999** | **2000** | **2001** | **2002** |
|---|---|---|---|---|---|---|---|---|---|---|
| Rental Appeals/Allowable Rent Increase | 6 | 13 | 8 | 8 | 21 | 15 | 13 | 10 | 10 | 16 |
| **Total** | **6** | **13** | **8** | **8** | **21** | **15** | **13** | **10** | **10** | **16** |

| **Technical & Regulatory Services Division** | **1993** | **1994** | **1995*** | **1996** | **1997** | **1998** | **1999** | **2000** | **2001** | **2002** |
|---|---|---|---|---|---|---|---|---|---|---|
| Petroleum Pricing Applications | 32 | 28 | 24 | 34 | 47 | 49 | 60 | 52 | 90 | 98 |
| Other Petroleum Pricing Matters | n/a | n/a | n/a | n/a | 2 | 3 | 2 | 6 | 2 | 2 |
| Initial Petroleum Applications | 2 | 2 | 0 | 3 | 2 | 1 | 2 | 1 | 2 | 4 |
| Petroleum Violations | 6 | 30 | 17 | 26 | 30 | 19 | 17 | 9 | 4 | 4 |
| **Total Petroleum** | **40** | **60** | **41** | **63** | **81** | **72** | **81** | **68** | **98** | **108** |
| Water-Sewer Utility Rate Applications | 14 | 11 | 10 | 10 | 1 | 2 | 0 | 0 | 4 | 2 |
| Electric Utility Rate Applications | 6 | 2 | n/a* | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Water-Sewer Utility Formal Complaints | 1 | 0 | 3 | 2 | 1 | 0 | 0 | 0 | 0 | 0 |
| Electric Formal Complaints | 2 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Water-Sewer | 0 | 8 | 10 | 2 | 0 | 0 | 3 | 2 | 1 | 0 |
| Other Electric | 16 | 19 | 1 | 1 | 0 | 0 | 0 | 0 | 3 | 0 |
| Sales Tax Appeals | 1 | 0 | 3 | 2 | 3 | 1 | 3 | 1 | 2 | 2 |
| Water-Sewer Construction Permits | 33 | 52 | 72 | 17 | 14 | 14 | 12 | 2 | 2 | 7 |
| Other | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 3 | 0 | 0 |
| **Total Other** | **73** | **94** | **100** | **34** | **19** | **17** | **18** | **8** | **12** | **11** |
| **Total** | | | | | | | | | **110** | **119** |

**IRAC regulation of Electric Rates discontinued as of April 30, 1994*

| **Total Commission** | **321** | **367** | **513** | **434** | **528** | **507** | **542** | **549** | **567** | **576** |
|---|---|---|---|---|---|---|---|---|---|---|

TABLE 2

**Meetings and Hearings**

| Fiscal Year Ended | Hearing Sessions | Meeting Sessions | Total |
|---|---|---|---|
| 2002 | 19 | 218 | 237 |
| 2001 | 18 | 200 | 218 |
| 2000 | 32 | 204 | 236 |
| 1999 | 32 | 233 | 265 |
| 1998 | 56 | 137 | 193 |
| 1997 | 50 | 206 | 256 |
| 1996 | 63 | 167 | 230 |
| 1995 | 47 | 196 | 243 |
| 1994 | 42 | 137 | 179 |
| 1993 | 68 | 138 | 206 |

TABLE 3

**Public Hearing Days**

| Fiscal Year Ended | Land & Property Division | Technical Services Division | Rental Division | Petroleum Division | Total |
|---|---|---|---|---|---|
| 2002 | 8 | 2 | 9 | 0 | 19 |
| 2001 | 10 | 3 | 5 | 0 | 18 |
| 2000 | 19 | 6 | 7 | 0 | 32 |
| 1999 | 17 | 1 | 12 | 3 | 33 |
| 1998 | 33 | 5 | 14 | 4 | 56 |
| 1997 | 24 | 3 | 20 | 3 | 50 |
| 1996 | 39 | 3 | 7 | 14 | 63 |
| 1995 | 32 | 3 | 7 | 5 | 47 |
| 1994 | 19 | 8 | 12 | 1 | 40 |
| 1993 | 19 | 32 | 5 | 9 | 65 |

# Financial Information & Divisional Assessment Formulas

## Statement of Earnings and Surplus - Operating Fund*

Year ended March 31, 2002, with comparative figures for 2001

| | 2002 | 2001 |
|---|---|---|
| Income: | | |
| Assessments on public utilities | $ 246,811 | $ 246,979 |
| Licenses | | |
| Petroleum products | 244,860 | 254,100 |
| Permits - land and property division | 125,799 | 171,691 |
| - moving buildings | 225 | 1,370 |
| Assessment - Province of Prince Edward Island | 1,236,105 | 1,072,132 |
| Investment income | 42,910 | 58,960 |
| | 1,896,710 | 1,805,232 |
| Expenses: | | |
| Advertising | 7,965 | 16,155 |
| Bad Debts | 0 | 1,433 |
| Cleaning | 8,145 | 8,185 |
| Computer maintenance and supplies | 38,895 | 16,835 |
| Depreciation | 134,073 | 126,087 |
| Education and development | 3,326 | 2,812 |
| Insurance | 6,216 | 5,755 |
| Interest | 0 | 6,969 |
| Office and supplies | 42,478 | 37,208 |
| Part-time commissioners | 30,078 | 26,112 |
| Postage | 4,027 | 4,082 |
| Professional fees | 42,919 | 134,257 |
| Publications | 23,012 | 12,799 |
| Rent | 156,012 | 149,911 |
| Salaries and employee benefits | 1,117,008 | 1,182,023 |
| Telephone | 21,584 | 23,383 |
| Travel | 34,567 | 42,358 |
| | 1,670,305 | 1,796,364 |
| Earnings before Reserves transfer | 226,405 | 8,868 |
| Transfer from Reserves | 5,756 | 5,756 |
| Deferred Revenue | (232,161)** | (14,624)** |
| Net earnings | 0 | 0 |
| Surplus, beginning of year | 61,018 | 174,265 |
| Transfer from capital fund | 134,073 | 126,087 |
| Transfer to capital fund for investment in capital assets | (90,804) | (239,334) |
| Surplus, end of year | $ 104,28[illegible] | $ 61,018*** |

*As reported in the Financial Statements of Island Regulatory and Appeals Commission March 31, 2002.

** Pursuant to a three year provincial assessment agreement entered into with the Province of Prince Edward Island the Commission has agreed to refund to the Province at the end of the agreement, the accumulated surpluses, if any, for the years ended March 31, 2002, 2003 and 2004.

*** Since the Commission operates at arms-length from Government and is funded differently from departments of Government, there has always been a need for the Commission to keep a certain surplus in its account to cover any unanticipated demands throughout the year. The Commission is expected to, and does, meet all of its requirements on a year-to-year basis this way – without seeking special assessments for extraordinary events. This enables those assessed, including Government, to rely upon the assessment with assurance that additional funds will not be sought later in the year. While the Commission has the power to issue additional assessments throughout the year, it has always tried not to do so, for the above reasons.

**Revenue Sources 2001-2002**

| | | 2001-2002 Revenue | | 2001-2002 Expenses |
|---|---|---|---|---|
| **Land Division/Rental Division** | | | | |
| Land and Property Fees | $ 121,399 | | $644,191 | |
| Rental Fees | 4,400 | $ 125,799 | $404,475 | $1,048,666 |
| **Petroleum Division** | | | | |
| Licenses and Fees | | $ 245,085 | | $ 315,605 |
| **Technical Services Division** | | | | |
| Assessments - Utilities | | | | |
| Water and Sewer | $ 26,811 | | | |
| Electric Utilities | 220,000 | $ 246,811 | | $ 306,034 |
| **Assessment to Government of PEI - General Revenue Fund** | | $ 1,236,105 | | |
| Investment Income | | $ 40,257 | | |
| Miscellaneous - Hearing room rent, transcripts, etc. | | $ 2,653 | | |
| **Total Revenue and Expense** | | **$1,896,710** | | **$1,670,305** |
| **Earnings before Transfer from Reserves** | | **$ 226,405** | | |

**Assessments**
**2001-2002**

**Land Division**

Revenue is generated through the following fees:

Applications under the *Lands Protection Act* for purchase of property by non-residents:

Fees: Minimum of $500.00 or 1% of the agreed purchase price, whichever is greater.

**Residential Rental Property Division**

Revenue is generated through the following fees:

Rental Applications:

A) Rent Owing applications (pursuant to Section 8) filed by a lessor - $30.00

B) Rent Increase applications [pursuant to Section 23(3)]

Two units or less - $25.00

Three or more units - $75.00

C) All other applications by a lessor or lessee - $10.00

**Technical and Regulatory Services Division - Petroleum**

Revenues to operate the Petroleum Division for this fiscal year were derived from fees for licenses issued under the *Petroleum Products Act*, together with other related charges as set out in the following schedule:

| | | |
|---|---|---|
| (i) | Wholesale License (Initial) | $1,500.00 |
| | Wholesale License (Initial-Lubricants Only) | $750.00 |
| (ii) | Wholesale License (Renewal) (Based on Total Sales Volume in Litres for Previous Year) | |
| | Sales up to 2,500,000 | $2,750.00 |
| | Sales Between 2,500,001 and 5,000,000 | 5,500.00 |
| | 5,000,001 and 15,000,000 | 8,250.00 |
| | 15,000,001 and 30,000,000 | 11,000.00 |
| | (Over 30,000,000 - $11,000.00 plus $2,750.00 for each additional 15,000,000 or portion thereof) | |
| (iii) | Cardlock Facility Bulk Fuel Depot (Each Dispensing Unit) | $200.00 |
| (iv) | Retail-Distributor's License - Bulk Storage (Based on Storage Capacity in Litres) | |
| | Capacities totaling up to 500,000 | $625.00 |
| | Capacities between 500,001 and 1,000,000 | 750.00 |
| | 1,000,001 and 10,000,000 | 1,500.00 |
| | 10,000,001 and 30,000,000 | 3,000.00 |
| | 30,000,001 and 50,000,000 | 4,500.00 |
| | 50,000,001 and 70,000,000 | 6,000.00 |
| | 70,000,001 and 90,000,000 | 7,500.00 |
| | Over 90,000,000 | 9,000.00 |
| (v) | Retail-Distributor's License | |
| | No Bulk Storage | $300.00 |
| | No Bulk Storage (Lubricant's Only) | $150.00 |
| (vi) | Tank Truck License (Including propane cylinder delivery trucks) | $125.00 |
| (vii) | Retail Dealer Licenses (other than Marine) (includes gasoline, diesel fuel, kerosene and propane nozzles) | |
| | (a) For each nozzle from 1 - 12 | $50.00 |
| | (b) For each nozzle from 13 - 24 | $35.00 |
| | (c) For each nozzle over 24 | $25.00 |
| (viii) | Retail Dealer Licenses (Propane only) | |
| | (a) For the sale of filled portable propane cylinders up to and including 20 kilograms only | $50.00 |
| | (b) For the filling of propane tanks permanently attached to a motor vehicle | $50.00 |
| | (c) For the filling, sale, and/or delivery of portable propane cylinders up to and including 45.4 kilograms only | $100.00 |
| (ix) | Retail Dealer Licenses (Marine only) | |
| | (a) Each marked gasoline, unmarked gasoline or diesel fuel nozzle | $50.00 |
| | (b) Each keylock or cardlock dispensing unit | $200.00 |
| (x) | Aviation Fuel Depot | $500.00 |
| (xi) | Licensing fees based on equipment installed after October 1 each year | -50% |
| (xii) | Filing Fee re Applications requiring advertising | $200.00 |
| (xiii) | For the reissue of any Petroleum Products License during the term of its validity | $35.00 |
| (xiv) | Administrative Fee for cancellation of any unused License | $35.00 |

Assessments
2001-2002

**Technical and Regulatory Services Division**

Revenue is generated through the following Utility Assessments.

**Assessment Scale**
Water and Sewer
2001-2002

| REVENUE RANGE ($) | ASSESSMENT RATE 2000-01 | % CHANGE | ASSESSMENT RATE 2001-02 |
|---|---|---|---|
| 0 - 5,000 | $275.63 | 0.00% | $275.63 |
| 5,001 - 10,000 | $441.00 | 0.00% | $441.00 |
| 10,001 - 50,000 | $716.63 | 0.00% | $716.63 |
| 50,001 - 100,000 | $1,102.50 | 0.00% | $1,102.50 |
| 100,001 - 250,000 | 1.23480 % | 0.00% | 1.23480 % |
| 250,001 - 500,000 | 1.21275 | 0.00% | 1.21275 |
| 500,001 - 750,000 | 1.19070 | 0.00% | 1.19070 |
| 750,001 - 1,000,000 | 1.16865 | 0.00% | 1.16865 |
| 1,000,001 - 1,250,000 | 1.14660 | 0.00% | 1.14660 |
| 1,250,001 - 1,500,000 | 1.12455 | 0.00% | 1.12455 |
| 1,500,001 - 1,750,000 | 1.10250 | 0.00% | 1.10250 |
| 1,750,001 - 2,000,000 | 1.08045 | 0.00% | 1.08045 |
| 2,000,001 - 2,500,000 | 1.05840 | 0.00% | 1.05840 |

**Assessment**
Power

The annual power assessment for Maritime Electric Company, Limited is determined by the Lieutenant Governor in Council, pursuant to Section 22 of the *Maritime Electric Company Limited Regulation Act.*

The assessment for the City of Summerside Electric Utility is also determined by the Lieutenant Governor in Council, pursuant to Section 46(2)(a) of the *Electric Power and Telephone Act.*

# Land Division Report

**Land Division Report**

## I. INTRODUCTION

The Division is assigned responsibilities under the following statutes:

- *Planning Act*, R.S.P.E.I. 1988, Cap. P-8;
- *Lands Protection Act*, R.S.P.E.I. 1988, Cap. L-5;
- *Real Property Assessment Act*, R.S.P.E.I. 1988 Cap R-4;
- *Real Property Tax Act*, R.S.P.E.I. 1988, Cap. R-5;
- *Roads Act*, R.S.P.E.I. 1988 Cap. R-15;
- *Municipalities Act*, R.S.P.E.I. 1988, Cap. M-13;
- *Unsightly Property Act*, R.S.P.E.I. 1988 Cap. U-5; and the
- *Heritage Places Protection Act*, R.S.P.E.I. 1988 Cap. H-3.1.

The Division is responsible for the coordination and administration of appeal hearings relating to the following matters: land use planning, real property assessment and real property tax, entrance way permits, unsightly properties, and matters related to the designation of heritage places. The Division administers the *Lands Protection Act* and is responsible for receiving annual disclosure statements, making recommendations to the Lieutenant Governor in Council on the disposition of applications respecting the acquisition of land by non-residents and corporations and conducting investigations to determine if persons or corporations have contravened the *Act*. The Division is also responsible for the coordination of public hearings conducted by the Commission in its review of applications by municipalities seeking boundary extensions.

The following outlines the major roles and responsibilities of the Division and the level of activity under each of the related statutes. Statistical information is based upon the fiscal year from April 1, 2001 to March 31, 2002. A review of Division activity can be found in Table 7.

## II. PLANNING ACT

Under the *Planning Act*, the Commission is responsible for hearing and deciding appeals relating to land use.

As an appellate body the Commission hears appeals from persons who are dissatisfied with decisions made by the Minister of Community and Cultural Affairs or a municipal council pursuant to section 28 of the *Act*. This provision is set out as follows:

> *... any person who is dissatisfied by a decision of a council or the Minister in respect of the administration of regulations or bylaws made pursuant to the powers conferred by this Act, may, within twenty-one days of the decision appeal to the Commission.*

In 2001-2002, the Commission received a total of 7 appeals. In addition, 6 appeals were carried forward from previous years. Of these 13 appeals, 1 was allowed, 5 were denied, 2 were subsequently withdrawn by the Appellants and in 1 case the Commission found that it did not have jurisdiction to hear the appeal. During this period, the Commission assisted in mediating 1 appeal. A total of 3 appeals are pending (refer to Table 1).

## III. LANDS PROTECTION ACT

### A. Non-Resident and Corporate Applications

The Commission is responsible for making recommendations to the Lieutenant Governor in Council on all applications by non-residents and corporations to acquire an interest in land pursuant to the provisions of the *Lands Protection Act*.

During the reporting period, the Commission considered 104 applications from non-residents totaling 2,963.64 acres. Four non-resident applications involving 426.10 acres were denied by the Lieutenant Governor in Council following recommendations of denial by the Commission. Forty-seven (47) parcels with shore front-

age totaling approximately 30,663 feet were included in the applications. During this same period, the Commission considered 186 applications involving 19,549.55 acres of land from resident corporations. Two applications involving 91.90 acres of land were denied by the Lieutenant Governor in Council. Twenty-four applications involving 289.70 acres of land were considered from non-resident corporations. One application involving 17.00 acres of land was denied. A breakdown of these can be found in Tables 2, 3, 4 and 5 and Figures 1, 2, 3 and 4.

A total of seven applications were denied.

The Commission recommended denial of two applications involving land in the same area of the Province due to the large amount of land involved (163.3 acres and 219 acres) and its proposed acquisition for seasonal residences, in an area that already has a relatively high level of non-resident owned land. In addition, several residents of the province expressed concern to the Commission regarding the amount of non-resident owned land in the involved area.

A non-resident corporation was denied permission to purchase a parcel of land because a resident person was prepared to purchase the land. A consequential application filed by the shareholder of the non-resident corporation was also denied.

A resident corporation was denied permission to acquire a parcel of land because it proposed to develop a subdivision using prime agricultural land in an agricultural area.

A non-resident person was denied permission to acquire a parcel because it was not *"suitably advertised"* on the local real estate market.

In one case, the Lieutenant Governor in Council did not accept the Commission's recommendation. It decided to deny the application due to concerns over conversion of land with high agricultural capability to a non-resource use, potential intensification of access to a three lane portion of the province's primary transportation route, and the number of undeveloped subdivision lots already approved in the area.

### B. Annual Disclosure Process

The Commission is also responsible for receiving annual land holding disclosure statements from all persons and corporations having an aggregate land holding of more than 750 acres for persons and more than 2,250 acres for corporations. The disclosure statements are filed pursuant to the provisions of subsection 10(2) which states:

> *Without prejudice to subsection (1), any person or corporation having an aggregate land holding in excess of the limit specified in subsection (1) shall, not later than December 31 of each year, file a disclosure statement with the Commission.*

For the year 2001, the Commission received a total of 115 land holding disclosure statements, of which 21 statements were filed by corporations and 94 filed by persons.

### C. Information and Monitoring System

The Commission continues to maintain a computerized land information system to assist in tracking and reporting on applications filed with the Commission. The database includes all applications filed with the Commission and the Land Use Commission dating back to 1977. The database also tracks persons and corporations that file annual land holding disclosure statements. This system allows the Commission to access information more quickly and efficiently in the process of reviewing applications and responding to public inquiries.

The Commission is also able to access property information and mapping through GeoLinc, the Department of Provincial Treasury's assessment records system.

The Commission expanded its capability to analyze applications filed pursuant to the *Lands Protection Act* during the year with the addition of a computerized mapping program called MapInfo. Up to date data is downloaded from the province on a weekly basis. MapInfo is also used to conduct studies relating to land matters.

### D. The Land Identification Program

The objective of the Land Identification Program is to limit development of land that has been identified for non-development use. This non-development designation permits uses for such purposes as forestry, wildlife, agriculture, recreation, permanent or seasonal residence, which do not involve commercial or industrial development or subdivision.

The Commission's involvement in this program pertains to acquisitions by non-residents and corporations. The Commission is responsible for making recommendations to the Lieutenant Governor in Council on the disposition of applications including recommendations as to whether the land should be identified.

The Commission places an emphasis on the identification of land for non-development use when it considers applications by non-residents and corporations for land acquisition. Special attention is paid to applications for acquisition of coastal land, active agricultural land, speculative land transactions and land intended for subdivision.

During the reporting period, the Commission recommended that 15,695 acres be identified for non-development use as a result of non-resident, non-resident corporate and resident corporate applications considered under the *Act* (refer to Table 6).

### E. Enforcement

Pursuant to subsection 15(1) of the *Act*, the Commission may request information and conduct an investigation for the purpose of determining whether a person or corporation has contravened the *Act* or the regulations. During the reporting period, the Commission authorized 20 inquiries/investigations. In addition, 10 matters were carried over from the previous year. The Commission issued 20 warnings after the Respondents came into compliance. Ten matters are still under review.

## IV. REAL PROPERTY ASSESSMENT ACT

The Provincial Treasurer is responsible for administering the *Real Property Assessment Act*. Subsection 22(1) of the *Act* states:

> *Where an assessment has been referred to the Minister under Section 20, and after the Minister has notified the person making the reference of his decision, the person making the reference may appeal to the Commission to have the assessment vacated or varied.*

In 2001-2002, the Commission received 10 appeals. Of these appeals, 4 were subsequently withdrawn by the Appellants and 6 appeals are currently pending.

## V. REAL PROPERTY TAX ACT

The Provincial Treasurer is responsible for administering the *Real Property Tax Act*. Subsection 35(1) of the *Act* reads:

> *Where a tax has been referred to the Minister under Section 33, and after the Minister has notified the person making the reference of his decision, the person making the reference may appeal to the Commission, to have the tax vacated or varied.*

No appeals were filed with the Commission during this reporting period.

## VI. UNSIGHTLY PROPERTY ACT

The *Unsightly Property Act* deals with properties that are considered unsightly. Under the *Act* an order can be issued to an individual to clean up the property. Pursuant to Section 7 of the *Act*, where an individual is issued an order to clean up

unsightly property, he or she may appeal to the Commission. On hearing the appeal, the Commission may confirm, rescind or in any manner vary the order, and the judgment of the Commission shall be final.

During the reporting period, no appeals were filed with the Commission.

## VII. ROADS ACT

The *Roads Act* is administered by the Department of Transportation and Public Works. The Commission has appellate jurisdiction as set out pursuant to subsection 12(1) of the Highway Access Regulations:

> *Where the Minister has discretion to issue an entrance way permit pursuant to these regulations, a decision of the Minister may be appealed to the Island Regulatory and Appeals Commission, by the applicant.*

During the reporting period, 2 appeals were filed with the Commission. In addition, 1 appeal was carried forward from the previous year. Of these 3 appeals, the Commission found that it did not have the jurisdiction to hear the appeal in 2 of these appeals and the remaining appeal was withdrawn by the Appellant.

## VIII. MUNICIPALITIES ACT

The Commission is responsible for conducting public hearings with respect to municipal boundary extensions. Pursuant to subsection 12(1):

> *Where a municipality wishes to extend its boundaries to include an area for which no municipal government is provided under this Act, it may apply to the Minister for approval of the annexation of that area.*

Pursuant to subsection 13(1), upon receipt of such application, the Minister shall direct the Commission to conduct a public hearing and make a recommendation to the Minister on the disposition of such application.

During the reporting period, no applications were referred to the Commission.

## IX. HERITAGE PLACES PROTECTION ACT

Under the *Heritage Places Protection Act* and the Heritage Places Protection Act Regulations, the Minister may designate any heritage place as a designated site, structure or area. The owner of any property designated as a heritage place, or any municipality in which the property is located, may appeal the Minister's decision by written notice to the Commission within 30 days of the receipt of service of the Notice of Designation of Heritage Place.

No appeals were filed with the Commission during this reporting period.

TABLE 1

**Status of Appeals**
Planning Act
1992-2002

| Appeals | 1992* | 1993* | 1994* | 1995 -96 | 1996 -97 | 1997 -98 | 1998 -99 | 1999 -2000 | 2000 -2001 | 2001 -2002 |
|---|---|---|---|---|---|---|---|---|---|---|
| Allowed | 2 | 2 | 5 | 4 | 0 | 3 | 7 | 2 | 1 | 1 |
| Denied | 6 | 7 | 10 | 11 | 5 | 10 | 8 | 7 | 9 | 5 |
| Withdrawn | 2 | 12 | 14 | 17 | 6 | 18 | 10 | 12 | 6 | 2 |
| No Jurisdiction | 0 | 2 | 1 | 2 | 8 | 3 | 3 | 11 | 3 | 1 |
| Mediated | n/a | n/a | n/a | 2** | 3 | 0 | 0 | 3 | 3 | 1 |
| Pending | 6 | 7 | 18 | 12 | 17 | 16 | 7 | 5 | 6 | 3 |
| Total | 16 | 30 | 48 | 48 | 39 | 50 | 35 | 40 | 28 | 13 |

* Represents calendar year.
** The Island Regulatory and Appeals Commission Act was amended in 1995 to allow use of alternative dispute resolution where appropriate.

TABLE 2

**Non-Resident Applications**
Lands Protection Act
2001-2002

| | PRINCE COUNTY | | QUEENS COUNTY | | KINGS COUNTY | | PROVINCE | |
|---|---|---|---|---|---|---|---|---|
| No. of Acres | No. of Applications | Acreage | No. of Applications | Acreage | No. of Applications | Acreage | No. of Applications | Acreage |
| <10 | 15 | 58.75 | 14 | 43.63 | 18 | 62.52 | 47 | 164.90 |
| 10-49 | 10 | 203.6 | 9 | 201.3 | 13 | 257.99 | 32 | 662.89 |
| 50-99 | 2 | 113.0 | 3 | 170 | 10 | 632.91 | 15 | 915.91 |
| 100-499 | 2 | 284.05 | 1 | 180 | 3 | 329.79 | 6 | 793.84 |
| 500+ | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Total | 29 | 659.40 | 27 | 594.93 | 44 | 1,283.21 | 100 | 2,537.54 |

| Land Identified | No. of Parcels | Acreage | No. of Parcels | Acreage | No. of Parcels | Acreage | No. of Parcels | Acreage |
|---|---|---|---|---|---|---|---|---|
| Total | 13 | 383.44 | 9 | 404.86 | 18 | 950.84 | 40 | 1,739.14 |

| Shore Frontage | No. of Parcels | Feet | No. of Parcels | Feet | No. of Parcels | Feet | No. of Parcels | Feet |
|---|---|---|---|---|---|---|---|---|
| Total | 17 | 12,435 | 10 | 7,905 | 20 | 10,323 | 47 | 30,663 |

Four non-resident applications involving 426.10 acres were denied in 2001-2002 and are not included in the above table.

TABLE 3

**Resident Corporate Applications**
Lands Protection Act
2001-2002

| No. of Acres | PRINCE COUNTY No. of Applications | Acreage | QUEENS COUNTY No. of Applications | Acreage | KINGS COUNTY No. of Applications | Acreage | PROVINCE No. of Applications | Acreage |
|---|---|---|---|---|---|---|---|---|
| <10 | 32 | 121.77 | 17 | 53.32 | 10 | 23.14 | 59 | 198.23 |
| 10-49 | 25 | 623 | 19 | 502.23 | 15 | 421.09 | 59 | 1,546.32 |
| 50-99 | 18 | 1,327.02 | 9 | 677.12 | 3 | 193.96 | 30 | 2,198.10 |
| 100-499 | 18 | 4,168.74 | 4 | 628.12 | 4 | 1,071.01 | 26 | 5,867.87 |
| 500+ | 5 | 4,363.74 | 3 | 3,758.39 | 2 | 1,525.00 | 10 | 9,647.13 |
| Total | 98 | 10,604.27 | 52 | 5,619.18 | 34 | 3,234.20 | 184 | 19,457.65 |

| Land Identified | No. of Parcels | Acreage | No. of Parcels | Acreage | No. of Parcels | Acreage | No. of Parcels | Acreage |
|---|---|---|---|---|---|---|---|---|
| Total | 117 | 7,642.52 | 53 | 3,666.87 | 44 | 2,646.13 | 214 | 13,955.52 |

| Shore Frontage | No. of Parcels | Feet | No. of Parcels | Feet | No. of Parcels | Feet | No. of Parcels | Feet |
|---|---|---|---|---|---|---|---|---|
| Total | 27 | 63,781 | 15 | 18,030 | 22 | 33,470 | 64 | 115,281 |

Two resident corporate applications involving 91.90 acres were denied in 2001-2002 and are not included in the above table.

TABLE 4

**Non-Resident Corporate Applications**
Lands Protection Act
2001-2002

| No. of Acres | PRINCE COUNTY No. of Applications | Acreage | QUEENS COUNTY No. of Applications | Acreage | KINGS COUNTY No. of Applications | Acreage | PROVINCE No. of Applications | Acreage |
|---|---|---|---|---|---|---|---|---|
| <10 | 5 | 10.87 | 5 | 32.88 | 8 | 41.94 | 18 | 85.69 |
| 10-49 | 2 | 20.75 | 1 | 42.72 | 1 | 23.54 | 4 | 87.01 |
| 50-99 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| 100-499 | 0 | 0.00 | 1 | 100.00 | 0 | 0.00 | 1 | 100.00 |
| 500+ | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Total | 7 | 31.62 | 7 | 175.60 | 9 | 65.48 | 23 | 272.70 |

| Land Identified | No. of Parcels | Acreage | No. of Parcels | Acreage | No. of Parcels | Acreage | No. of Parcels | Acreage |
|---|---|---|---|---|---|---|---|---|
| Total | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |

| Shore Frontage | No. of Parcels | Feet | No. of Parcels | Feet | No. of Parcels | Feet | No. of Parcels | Feet |
|---|---|---|---|---|---|---|---|---|
| Total | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |

One non-resident corporate applications involving 17.00 acres was denied in 2001-2002 and are not included in the above table

TABLE 5

**Applications Reviewed**
Lands Protection Act
1992-2002

| Type of Application | 1992* | 1993* | 1994* | 1995 -96 | 1996 -97 | 1997 -98 | 1998 -99 | 1999 -2000 | 2000 -2001 | 2001 -2002 |
|---|---|---|---|---|---|---|---|---|---|---|
| Non-Resident | 75 | 93 | 110 | 105 | 92 | 102 | 94 | 118 | 118 | 104 |
| Corporate | 117 | 93 | 230 | 197 | 162 | 190 | 186 | 227 | 217 | 210 |
| Special Permits | 3 | n/a** | n/a | n/a | n/a | n/a | n/a | n/a | n/a | |
| Special 6.1 Permits | n/a | n/a | n/a | n/a | 46*** | n/a | 40**** | n/a | n/a | |
| **Total** | **195** | **186** | **340** | **302** | **300** | **292** | **320** | **345** | **335** | **314** |

* Represents calendar year.
** Legislation was amended repealing provision for Special Permits.
*** Legislation was amended to permit Section 6.1 Permits.
**** Legislation was amended requiring reconsideration of Section 6.1 Applications.

TABLE 6

**Acreage Identified for Non-Development Use**
Land Identification Program
1992-2002

| Type of Application | 1992* | 1993* | 1994* | 1995 -96 | 1996 -97 | 1997 -98 | 1998 -99 | 1999 -2000 | 2000 -2001 | 2001 -2002 |
|---|---|---|---|---|---|---|---|---|---|---|
| Non-Resident Applications | 1,612 | 3,315 | 3,025 | 2,298 | 1,907 | 1,157 | 2,277 | 1,976 | 2,382 | 1,739 |
| Corporate Applications | 5,299 | 4,595 | 18,625 | 12,107 | 6,961 | 11,100 | 10,690 | 10,877 | 7,415 | 13,956 |
| P.E.I. Lending Agency | 5,763 | 10,803 | 10,762 | 10,731 | n/a** | n/a** | n/a** | n/a** | n/a** | n/a** |
| **Total** | **12,674** | **18,713** | **32,412** | **25,136** | **8,868** | **12,257** | **12,967** | **12,854** | **9,797** | **15,695** |

* Represents calendar year.
** The Commission no longer makes decisions on land purchases from Enterprise P.E.I.

TABLE 7

**Division Activity**
Appeals, Applications and Statements Filed with the Commission
1992-2002

| Issue | 1992* | 1993* | 1994* | 1995 -96 | 1996 -97 | 1997 -98 | 1998 -99 | 1999 -2000 | 2000 -2001 | 2001 -2002 |
|---|---|---|---|---|---|---|---|---|---|---|
| **APPEALS** | | | | | | | | | | |
| Planning Act | 17 | 30 | 41 | 30 | 33 | 32 | 19 | 33 | 23 | 7 |
| Real Property Assessment Act | 8 | 17 | 12 | 12 | 9 | 12 | 13 | 5 | 5 | 10 |
| Real Property Tax Act | n/a | n/a | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Roads Act | n/a | n/a | 2 | 2 | 8 | 2 | 2 | 0 | 1 | 2 |
| Unsightly Properties Act | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| Heritage Places Protection Act | n/a | n/a | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **LANDS PROTECTION ACT** | | | | | | | | | | |
| Non-Resident Applications | | | | | | | | | | |
| Resident Corporate Applications | 175 | 91 | 220 | 187 | 154 | 171 | 170 | 201 | 196 | 186 |
| Non-Resident Corporate Applications | 3 | 10 | 16 | 14 | 15 | 20 | 16 | 26 | 21 | 24 |
| Annual Disclosure Statements | n/a | n/a | n/a | n/a | 88** | 92 | 94 | 87 | 98 | 115 |
| LPA Section 6.1 Permit Applications | n/a | n/a | n/a | n/a | 46 | n/a | 40 | n/a | n/a | n/a |
| **MUNICIPALITIES ACT** | | | | | | | | | | |
| Boundary Extensions | n/a | n/a | 1 | 1 | 0 | 1 | 0 | 1 | 1 | 0 |

* Represents calendar year.
** 77 Disclosure Statements for 1996 were reported in the 1996-97 Annual Report and 11 additional statements were filed after March 31, 1997.

FIGURE 1

**Non-Resident Applications Acreage Distribution by County**
Lands Protection Act
2001-2002

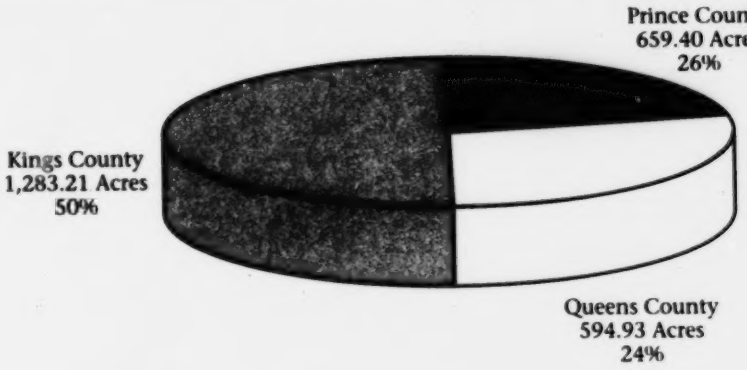



FIGURE 2

**Resident Corporate Applications Acreage Distribution by County**
Lands Protection Act
2001-2002

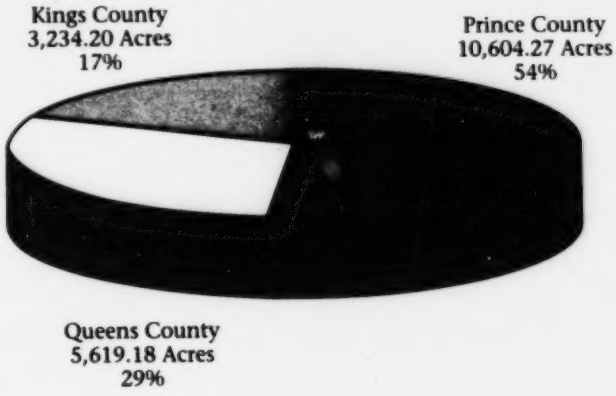


FIGURE 3

**Non-Resident Corporate Applications Acreage Distribution by County**
Lands Protection Act
2001-2002

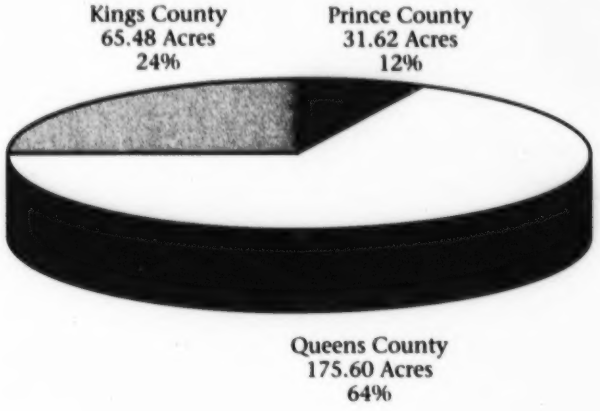
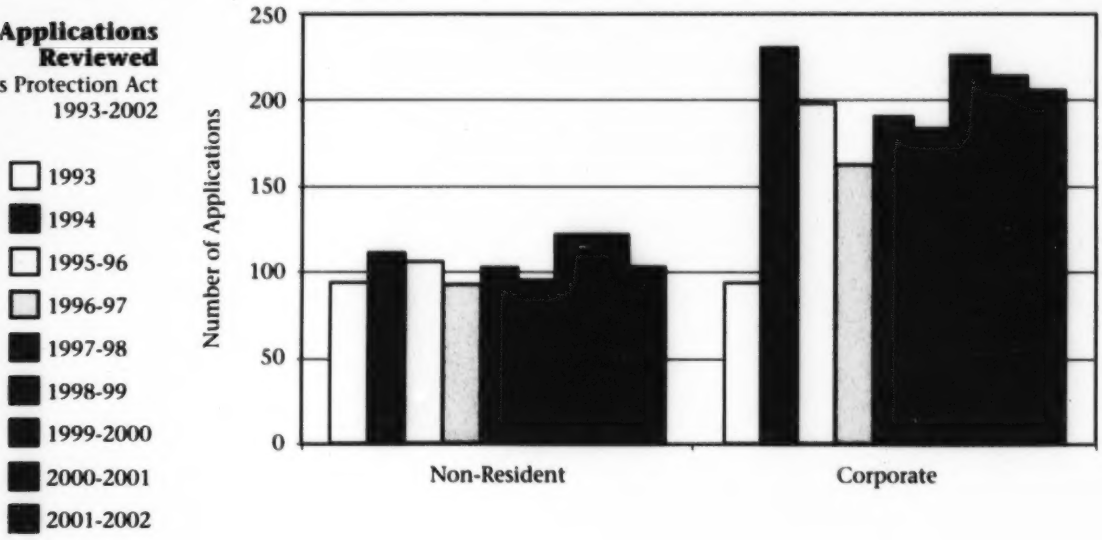



FIGURE 4

**Applications Reviewed**
Lands Protection Act
1993-2002



**Residential Rental Property Division**

**Residential Rental Property Division**

## I. INTRODUCTION

The Division is responsible for the administration of the *Rental of Residential Property Act*, primarily dealing with disputes between lessors and lessees.

The following outlines the major roles and responsibilities of the Division and the level of activity under each of the related statutes. Statistical information is based upon the fiscal year from April 1, 2001 to March 31, 2002.

## II. RENTAL OF RESIDENTIAL PROPERTY ACT

The administration of the *Rental of Residential Property Act* is carried out by the Residential Rental Property Division, while the Commission hears appeals from the decisions of the Director of Residential Rental Property and those rental officers who have been delegated decision making power by the Director.

The *Act* establishes the obligations and responsibilities of the parties to rental agreements for residential premises. Procedures are set out to deal with violations and to enforce obligations under rental agreements. The *Act* sets out mechanisms whereby violations are expeditiously handled and the system is readily accessible to all parties. The *Act* outlines, among other things, procedures for the enforcement of statutory conditions, the handling of security deposits, the termination of rental agreements, rent owing and properly increasing rent.

The Division has exclusive responsibility for the administration of the *Act* and Regulations. The Director of the Division is responsible for:

- Providing information to the public to promote understanding of rights and responsibilities under this *Act*;
- Advising lessors and lessees with respect to matters relating to rental agreements;
- Receiving and investigating allegations of violations of rental agreements, or of the *Act* or the Regulations;
- Holding hearings, giving notice thereof to the parties, determining matters of procedure at hearings and making decisions or orders with respect to matters relating to the rights of lessors or lessees arising pursuant to this *Act*; and
- Entering and inspecting residential premises, after serving an inspection order, for the purpose of carrying out the powers or duties under this *Act* or the Regulations.

As a result of legislative changes in 1998, the *Act* applies to all premises licensed under the *Tourism Industry Act* where guests rent such premises for a continuous period of one month or more.

The *Act* is administered on a province-wide basis with the majority of hearings being held at the offices of the Commission. Hearings are also held at various Access PEI Centres when the housing unit involved is in that regional area.

During 2001-02 the Division received 308 new applications concerning rental matters (see Table 1 and Figure 1) and issued 264 orders (see Table 2) on those applications. During the 2000-01 reporting period the Division received 291 new applications and issued 202 orders. In 2001-02, the Division received 15,383 inquiries, which is an increase of approximately 2% over the 2000-01 level of 15,105 inquiries. (see Table 3).

The following sections outline the level of activity under the main sections of the *Act*.

### A. Enforcement of Statutory or Other Conditions of a Rental Agreement

The statutory conditions are those obligations of either the lessor (landlord) or the lessee (tenant) as set out in the *Act* and the standard form of rental agreement. Statutory conditions include such issues as: good behavior, condition of the premises, subletting of the premises, and late payment penalty. Other conditions of

a rental agreement include the return of security deposits and rent owing. The *Act* also provides for a process for dealing with personal property abandoned by tenants. In all cases the parties are encouraged to resolve disputes after their rights are explained. When this is unsuccessful, an application is received and processed by investigation and/or hearing.

During the reporting period the Division received 197 applications involving statutory or other conditions. This is a decrease of 9 over the previous year's total of 206 applications.

### B. Security Deposits

The *Act* sets out the handling and processing requirements for security deposits taken as a condition of the rental agreement. The lessor is required to deposit the funds at a financial institution in a designated trust account and interest accrues to the lessee while the deposit is held. Within 10 days of the lessee delivering up possession of the premises, the lessor is to return the deposit with interest. The lessor may retain all or a portion of the deposit to cover damages or unpaid rent but if this is done, the lessee must be advised of the nature and amount of charges made. If an agreement is not reached between the parties, the lessee may request a decision by the Director at which time the deposited funds are forwarded and held in trust by the Director. An investigation is then carried out and a decision is rendered.

The Division received 36 applications involving security deposits during this reporting period. This is an increase of 12 over the previous year's total of 24 applications.

### C. Termination of Rental Agreements

The *Act* provides for limited security of tenure for the lessee whereby the lessee must be given in writing the proper notice and the reason for the termination of the rental agreement. Termination is allowed only for the reasons set out in Sections 13, 14 and 15 of the *Act*.

In 2001-02, the Division received 60 applications involving the termination of rental agreements during the reporting period. This represents an increase of 8 from the previous year's level of 52 applications.

### D. Rent Increases

Each year the Director invites written representation from lessors and lessees to assist in establishing the annual prescribed percentage rent increase. The Director is responsible for preparing background material for the Commission, with the Commission responsible for making the decision on the allowable percentage rent increase for the coming year. In recognizing the increased operating costs for lessors who provided heating services, the Commission established the allowable percentage rent increase for 2001 at 3.75% for heated residential premises, and at 1.25% for unheated residential premises.

Any rent increase exceeding the established amount requires approval by the Director before being charged and collected. During the reporting period the Division received 15 applications involving rent increases. This represents an increase of 6 from the previous year's level of 9 applications.

### E. Appeals to the Commission

The Commission has the power to hear appeals from the decisions of the Director. Of the 264 orders issued on rental matters during the reporting period, 15 were appealed and resulted in Commission decisions. During 2000-01 there were 9 appealed of the 202 orders issued.

### F. Significant Events

During this reporting period, the Division continued to automate its information management system to assist with tracking and reporting rental applications and rental inquiries. The system allows for up-to-date information to be accessed and includes such data as the nature of the application or the inquiry, the parties

involved and the current status of applications.

During the year, the Commission's public website (www.irac.pe.ca) in relation to rental matters was expanded. All forms prescribed pursuant to the *Act* are available online for the convenience of applicants. The forms can be filled-in online, printed and filed with the appropriate fee at the Commission offices or at an Access PEI Centre. The public can access the Frequently Asked Questions section, which also has been added for their convenience.

FIGURE 1

**Status of Applications**
Rental of Residential Property Act
1996-2002

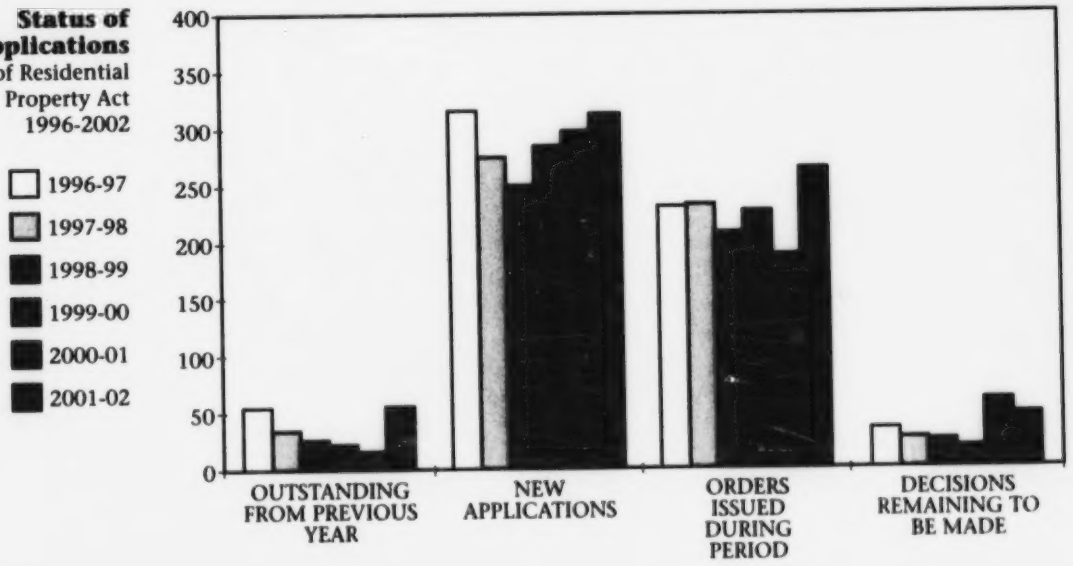



TABLE 1

**Nature of New Applications**
Rental of Residential Property Act
1996-2002

| NATURE OF NEW APPLICATIONS | 1996 -97 | 1997 -98 | 1998 -99 | 1999 -00 | 2000 -01 | 2001 -02 |
|---|---|---|---|---|---|---|
| **DETERMINATION OF SECURITY DEPOSITS** | 9 | 29 | 25 | 27 | 24 | 36 |
| **BREACH OF STATUTORY CONDITIONS** | | | | | | |
| Condition of Premises | 34 | 25 | 24 | 25 | 21 | 17 |
| Services | 12 | 5 | 3 | 10 | 19 | 5 |
| Good Behavior | 0 | 1 | 0 | 0 | 0 | 0 |
| Lessee Cleanliness and/or Damages | 0 | 0 | 0 | 0 | 0 | 0 |
| Sublet by Lessee | 0 | 0 | 0 | 0 | 0 | 2 |
| Entry of Premises | 2 | 1 | 1 | 0 | 0 | 0 |
| Entry Doors | 1 | 1 | 0 | 1 | 2 | 0 |
| Late Penalty Payment | 0 | 0 | 0 | 0 | 0 | 1 |
| Quiet Enjoyment | 2 | 1 | 5 | 1 | 1 | 5 |
| Mobile Homes | 0 | 0 | 2 | 1 | 0 | 0 |
| Lessee Delivery of Possession | 61 | 40 | 37 | 56 | 64 | 83 |
| Security Deposit | 26 | 33 | 18 | 15 | 16 | 18 |
| Rent | 92 | 81 | 96 | 64 | 76 | 58 |
| Personal Property | 0 | 0 | 0 | 0 | 7 | 7 |
| Other | 3 | 4 | 6 | 10 | 0 | 1 |
| **TERMINATION** | 55 | 38 | 27 | 56 | 52 | 60 |
| **RENT INCREASE** | 19 | 15 | 8 | 11 | 9 | 15 |
| **TOTAL** | 316 | 274 | 252 | 277 | 291 | 308 |

TABLE 2

**Orders Issued**
Rental of Residential Property Act
1996-2002

| | 1996 -97 | 1997 -98 | 1998 -99 | 1999 -00 | 2000 -01 | 2001 -02 |
|---|---|---|---|---|---|---|
| Determination of Security Deposits | 9 | 26 | 20 | 28 | 16 | 35 |
| Breach of Statutory Conditions | 177 | 164 | 163 | 152 | 137 | 173 |
| Termination | 27 | 27 | 22 | 37 | 37 | 42 |
| Rent Increase | 17 | 14 | 10 | 9 | 12 | 14 |
| **TOTAL** | **230** | **231** | **215** | **226** | **202** | **264** |

TABLE 3

**Inquiries**
Rental of Residential Property Act
1996-2002

| NATURE OF INQUIRY | 1996 -97 | 1997 -98 | 1998 -99 | 1999 -00 | 2000 -01 | 2001 -02 |
|---|---|---|---|---|---|---|
| **BREACH OF STATUTORY CONDITIONS** | | | | | | |
| Condition of Premises | 1,151 | 1,003 | 980 | 1,450 | 1,346 | 1,187 |
| Services | 841 | 612 | 509 | 541 | 660 | 560 |
| Good Behavior | 494 | 333 | 232 | 427 | 357 | 358 |
| Lessee Cleanliness and/or Damages | 400 | 764 | 780 | 612 | 593 | 606 |
| Sublet by Lessee | 20 | 27 | 55 | 52 | 41 | 30 |
| Entry of Premises | 275 | 248 | 246 | 248 | 247 | 250 |
| Entry Doors | 87 | 55 | 50 | 71 | 72 | 44 |
| Late Penalty Payment | 12 | 9 | 10 | 11 | 11 | 12 |
| Quiet Enjoyment | 126 | 90 | 138 | 229 | 273 | 202 |
| Lessee Delivery of Possession | 573 | 392 | 418 | 476 | 482 | 631 |
| Mobile Homes | 20 | 17 | 92 | 79 | 75 | 149 |
| Rent | 3,468 | 2,748 | 2,741 | 2,818 | 3,264 | 3,061 |
| Other Statutory Conditions | 287 | 231 | 315 | 361 | 410 | 273 |
| Personal Property | 0 | 0 | 0 | 0 | 34 | 255 |
| No Statutory Condition Specified | 0 | 0 | 0 | 0 | 0 | 0 |
| **SECURITY DEPOSITS** | 1,821 | 1,964 | 1,849 | 1,646 | 1,693 | 1,874 |
| **TERMINATION** | 3,748 | 3,357 | 3,182 | 3,240 | 3,538 | 3,416 |
| **RENT INCREASE** | 714 | 598 | 472 | 505 | 737 | 721 |
| **OTHER** | 1,150 | 1,576 | 1,519 | 1,111 | 1,272 | 1,754 |
| **TOTAL** | **15,187** | **14,024** | **13,588** | **13,877** | **15,105** | **15,383** |

Note: There are some (Office or Telephone) calls which involve more than one category inquiry.

**Technical and Regulatory Services Division Report**

**Technical and Regulatory Services Division Report**

## 1. Introduction

Under the direction of the Commission, the Commission's Technical and Regulatory Services Division is responsible for petroleum licensing and price regulation as well as utility monitoring or regulation. The division is also responsible for information technology planning, management and support and the administration of revenue tax appeals.

## 2. Petroleum

Petroleum regulation in Prince Edward Island is governed by the *Petroleum Products Act*, R.S.P.E.I. 1988, Cap. P-5.1. The purpose of the *Act* is set out in Section 2, which reads as follows:

> *2. The purpose of this Act is to regulate the distribution and sale of petroleum products within the Province of Prince Edward Island for use within the province, and the type, location, and operation of facilities and equipment associated therewith, and to ensure at all times a just and reasonable price for heating fuel and motor fuel to consumers and licensees within the province.*

Under the *Act*, no wholesaler or wholesaler-retailer shall bring into the province, cause another to bring into the province or distribute within the province, any petroleum product unless that wholesaler or wholesaler-retailer holds a license authorizing such activities. The *Act* also provides that no retailer, wholesaler or wholesaler-retailer shall sell or furnish any petroleum product or keep any petroleum product for sale at an outlet unless that retailer, wholesaler or wholesaler-retailer is the holder of a license with respect to each such outlet, and then only as specified in the license and subject to the *Act* and Regulations.

In the area of petroleum licensing, Section 20 of the *Act* requires that the Commission, when issuing a retailer's license, consider the public interest, convenience and necessity by applying such criteria as the Commission may from time to time consider advisable. This includes, but is not restricted to, a consideration of the demand for the proposed service, the location of the outlet, traffic flows and the applicant's record of performance.

In addition, there is a requirement on the Commission, when dealing with applications for annual renewal of all licenses, to consider whether the licensee is in a position to ensure an adequate supply of product during the coming year, the quantity of petroleum products sold in the previous year and the quality of service which the outlet renders to the community in which it is situated. The Commission expects to receive a minimum of three months' notice, especially in the case of wholesaler-owned outlets, of an intention to close a licensed outlet or remove a licensed service. Wholesale licenses bear the following condition:

> *It is a condition of this wholesale license that the licensee shall supply petroleum products and related services to any retailer or consumer who seeks same, unless approval of an exception to the condition has been first obtained from the Commission.*

It is an important principle in regulation that, when a license is issued under the *Act*, a licensee cannot service customers selectively nor can a licensee arbitrarily discriminate against certain customers. It is a requirement of the Commission that products and services be provided in accordance with the class of license issued as prescribed by section 63 of the *Act*.

In the area of petroleum pricing, the Commission's legislative mandate requires that it ensure a just and reasonable price for heating and motor fuels to consumers and licensees within the Province. In addition to dealing with individual applications for price changes to wholesalers' dealer and posted consumer prices, the Commission monitors available pricing information from local, national and international sources.

The Commission also has the responsibility of determining retailers' minimum and maximum markups. Currently, the authorized minimum markup is 4.0 cents and a maximum of 5.5 cents per litre at self-serve pumps and a minimum of 5.0 cents and a maximum of 6.5 cents per litre at full-serve pumps. In addition, the markup selected by a dealer for each mode of service must be consistently applied to each grade of gasoline sold or offered for sale at the outlet. At split-serve outlets, diesel fuel and each grade of gasoline sold at self-serve pumps must be priced at least one cent lower than the prices at which full-serve diesel fuel and each grade of gasoline are being offered for sale.

All petroleum product price changes authorized by the Commission are the subject of public notice. The Commission continues to periodically publish approved posted consumer prices of furnace fuel, as well as pump prices of the various grades of gasoline and diesel fuel. Appended are examples of these public notices indicating prices that were in effect as of March 31, 2001 and as of March 31, 2002.

## 3. Public Utilities & Revenue Tax Appeals

In the area of public utilities, the Commission derives its authority under the *Electric Power and Telephone Act*, the *Maritime Electric Company Limited Regulation Act* and the *Water and Sewerage Act*. The authority to hear revenue tax appeals is derived from the *Revenue Administration Act*.

In the area of electric utilities, limited sections of the *Electric Power and Telephone Act*[1] continue to apply to both Maritime Electric Company, Limited and the City of Summerside Municipal Electric Utility. Under the *Maritime Electric Company Limited Regulation Act*, the Commission's role is limited to that of monitoring the utility's compliance with the legislation as well as the disposition of formal complaints. Under the *Electric Power and Telephone Act City of Summerside Electric Utility Exemption Regulations*—which came into force on February 24, 1996—a similar regime of compliance monitoring and complaint disposition has been established. Both utilities are now effectively exempt from economic regulation.

Under the *Water and Sewerage Act*, the Commission regulates certain[2] municipal and private utilities operating water or wastewater management facilities in Prince Edward Island, including establishing and monitoring rates for these utilities.

Under the *Revenue Administration Act*, the Commission acts as an appellate tribunal that hears appeals from decisions of the Provincial Tax Commissioner in relation to tax assessments made under several provincial revenue acts.

## 4. Information Technology

The integration of the Commission's public web site and internal database management and other systems was completed during this reporting period. This integration assists clients and the public in accessing information in a timelier fashion. The public website—online since 1997—continues to see an increase in visitors. At present, some 27,000 visitors a year log on to the site.

In addition to systems integration work, additional development time was invested in the completion of on-line forms and the development of mapping technology in the lands protection area.

1. Telecommunications regulation in Prince Edward Island is a federal responsibility administered by the Canadian Radio-television and Telecommunications Commission (CRTC).

2. The utilities operating in the cities of Charlottetown and Summerside and the towns of Stratford and Cornwall are exempt from the jurisdiction of the Commission.

## 5. Regulatory Highlights

### Petroleum

During the period covered by this report, the Commission dealt with ninety-eight applications by wholesalers relating to pricing adjustments and issued one hundred formal Orders relating to petroleum regulation.

Nine wholesalers were licensed (See Table 1) under the Act: Ultramar Ltd., Shell Canada Products Limited, Imperial Oil Limited, Irving Oil Limited, Petro-Canada, Co-Op Atlantic, Superior Propane Inc., Wilson Fuels Ltd. and Emera Fuels. Irving handles propane in addition to the other common petroleum products and Superior handles propane only.

Following are annual statistical data for the calendar years 1992-2001 inclusive. Schedules also follow indicating the average maximum self-serve gasoline prices in effect in this Province as of February of each year for the years 1988 to 2002 inclusive.

Also provided are statistics relating to average gasoline volume per retail outlet (general merchant/service station/garage) and sales of gasoline by grades for the years 1992 to 2001 inclusive.

### Electric Utilities

Effective January 1, 2001, Maritime Electric increased its rates by 4.53 percent. This increase was later authorized by the Legislature pursuant to *An Act to Amend the Maritime Electric Company Limited Regulation Act* which was assented to on May 15, 2001. Sections 7 and 11 of the Act now reads as follows:

**Base rates to be charged**

*7. (1) Subject to subsection (2), the base rates charged by the Utility for service shall be such that the amounts payable by customers in each rate classification shall not exceed 110% of the amounts that would be payable if the customers in that classification were served in New Brunswick by the New Brunswick Power Corporation. 2001,c.44.s.2.*

***Base rate adjustment***

*(2) The base rates determined in accordance with subsection (1) shall be adjusted, upward or downward, as of April 1, 2002, in accordance with the regulation.*

***Tariff***

*(3) The Utility shall, from time to time as required and in any event within sixty days of any change in rates in New Brunswick, file a tariff with the Commission that establishes rates that comply with subsections (1) and (2) and that contains the information and the manner of presenting the information, as prescribed by the regulations.*

***Deemed rates***

*11. (1) Notwithstanding section 7, the rates charged by the Utility in accordance with the tariff filed with the Commission on October 6, 2000 and implemented beginning January 1, 2001 shall be deemed to have been charged in accordance with section 7 and shall continue, until April 1, 2002, to be charged for service.*

***Application of revenue to reduce rates***

*(2) The Utility shall retain, in trust, all of the monies attributable to the 4.53 percent increase in rates that was implemented in accordance with the tariff referred to in subsection (1), and in the period April 1, 2002 to March 31, 2003 the Utility shall apply all monies collected in respect of the period January 1, 2001 to March 31, 2002 attributable to that increase to reduce the rates charged, as calculated in accordance with the regulation.*

In addition, Sections 23.1 and 23.2 of the Act now reads as follows:

> ***Minister's audit***
>
> ***23.1*** *The Minister may at any time cause an audit of the Utility's annual or quarterly financial statements to be undertaken for the purposes of determining whether the Utility is in compliance with the Act or the regulation and the Utility shall provide the auditor with whatever information the auditor reasonably requires for the purposes of the audit.*
>
> ***Regulations***
>
> ***23.2*** *The Lieutenant Governor in Council may make regulations respecting any adjustments to base rates.*

In October, 2001, the Lieutenant Governor in Council approved the *Maritime Electric Company Limited Regulation Act Base Rate Adjustment Regulations*. The regulations set forth formulae wherein Maritime Electric can automatically adjust its rates on April 1 of each year.

Similarly, in October, 2001, the Lieutenant Governor in Council approved amendments to the *Electric Power and Telephone Act City of Summerside Electric Utility Exemption Regulations*. Section 3(c) of these Regulations now reads as follows:

> *that rates for outside customers shall not exceed those charged by the Maritime Electric Company Limited as calculated pursuant to the* Maritime Electric Company Limited Regulation Act *and* the Base Rate Adjustment Regulations*;*

With the implementation of the Legislation described above and the passing of the above Regulations, the Provincial Cabinet now effectively regulates the rates of Maritime Electric and the City of Summerside Electric Utility.

Statistical reports provided in this section include information on operating costs and the distribution of sales for Maritime Electric and City of Summerside Electric.

**Water and Wastewater Utilities**

During the reporting period, the Commission issued six permits for construction or amendments to utilities' systems.

The projects approved included sewer and water main extensions and replacements in Tignish; a sewer main replacement in Morell; the addition of another lagoon cell and the installation of a dedicated outfall pipe in Cavendish; and upgrading of the wastewater treatment facility in Kinkora.

The increased level of construction activity during this period is attributed to funds made available through a federal-provincial infrastructure development program.

In 1997, the Commission introduced a new uniform system of accounts for water and sanitary sewerage utilities. The new system of accounts has generally been well received by the utilities under the Commission's jurisdiction and the accounting community. With the odd exception, utilities are now in complete compliance with the new system and progress continues to be made on phasing in the remaining utilities.

Numerous utility-related inquiries and complaints were also dealt with during this reporting period.

**Revenue (Sales) Tax Appeals**

The Commission issued two sales tax Orders during this reporting period. Both Orders dealt with an appeal by MR & S Management Inc. against a decision of the Provincial Tax Commissioner dated December 21, 2000. The appeal related to tax assessed on purchases associated with the transfer of assets from a partnership to the Appellant, as well as tax on services provided by the Appellant to a number of clients. The first Order—UT02-01—was issued in January 2002 and dealt with several issues, some of which resulted in the Provincial Tax Commissioner's decisions being reversed.

Following the Commission's decision, the Respondent (the Provincial Tax Commissioner) made an application for a review of Order UT02-01. On March 21, 2002, the Commission issued Order UT02-02 which found that there was nothing to support the Respondent's contention that comments in Order UT02-01 were in error, or that circumstances in the case had materially changed, and the Respondent's application was dismissed.

In June 2000, Island Tel had appealed certain elements of the Commission's Order UT00-01 to the P.E.I. Supreme Court, Appeal Division. In its decision dated November 6, 2001, the Court allowed the appeal.

At the time of this report, there were 7 outstanding sales tax appeals before the Commission.

Statistical information following in this section of the report is based, for the most part, on data for the calendar year 2001.

THE ISLAND REGULATORY AND APPEALS COMMISSION
Prince Edward Island
Île-du-Prince-Édouard
CANADA

# Petroleum Prices

Following are the approved pump prices in cents per litre of gasolines and diesel fuels in P.E.I. for the month of March, 2001. Dealers may price anywhere within the following ranges provided *allowable dealer markups are consistently applied to all grades of gasoline, and at split-serve outlets, self-serve prices are at least one cent per litre below full-serve prices.

| BRAND | Full-Serve Pump Prices MIN. *(5.0) | Full-Serve Pump Prices MAX. (6.5) | Self-Serve Pump Prices MIN. (4.0) | Self-Serve Pump Prices MAX. (5.5) |
|---|---|---|---|---|
| **ULTRAMAR** | | | | |
| Regular Unleaded | 69.8 | 71.4 | 68.7 | 70.3 |
| Mid-Grade Unleaded | 71.9 | 73.5 | 70.8 | 72.4 |
| Premium Unleaded | 73.9 | 75.5 | 72.9 | 74.5 |
| Low Sulphur Diesel | 66.4 | 68.1 | 65.4 | 67.0 |
| **SHELL CANADA** | | | | |
| Regular Unleaded | 70.1 | 71.7 | 68.8 | 70.4 |
| Mid-Grade Unleaded | 72.2 | 73.8 | 71.2 | 72.8 |
| Premium Unleaded | 74.3 | 75.9 | 73.2 | 74.8 |
| Low Sulphur Diesel | 66.4 | 68.1 | 65.4 | 67.0 |
| **IMPERIAL OIL** | | | | |
| Regular Unleaded | 69.9 | 71.5 | 68.8 | 70.4 |
| Mid-Grade Unleaded | 72.0 | 73.6 | 70.9 | 72.5 |
| Premium Unleaded | 74.0 | 75.6 | 73.0 | 74.6 |
| Low Sulphur Diesel | 66.2 | 67.8 | 65.2 | 66.8 |
| **IRVING OIL** | | | | |
| Regular Unleaded | 69.7 | 71.3 | 68.6 | 70.2 |
| Mid-Grade Unleaded | 71.8 | 73.4 | 70.7 | 72.3 |
| Premium Unleaded | 73.8 | 75.4 | 72.8 | 74.4 |
| Low Sulphur Diesel | 66.6 | 68.2 | 65.5 | 67.1 |
| **PETRO-CANADA** | | | | |
| Regular Unleaded | 70.8 | 72.4 | 69.8 | 71.4 |
| Mid-Grade Unleaded | 73.0 | 74.6 | 71.9 | 73.5 |
| Premium Unleaded | 75.0 | 76.6 | 73.9 | 75.5 |
| Low Sulphur Diesel | 67.4 | 69.0 | 66.3 | 67.9 |
| **CO-OP ATLANTIC** | | | | |
| Regular Unleaded | 69.9 | 71.5 | | |
| Mid-Grade Unleaded | 72.0 | 73.6 | | |
| Premium Unleaded | 74.0 | 75.6 | N/A | |
| Low Sulphur Diesel | 67.2 | 68.8 | | |

**POSTED FURNACE FUEL PRICES are as follows, PLUS 7% GST:**

| | | | |
|---|---|---|---|
| **ULTRAMAR** | 47.5 | **IRVING OIL** | 47.6 |
| **SHELL CANADA** | 47.1 | **PETRO-CANADA** | 47.6 |
| **IMPERIAL OIL** | 47.1 | **CO-OP ATLANTIC** | 47.5 |

THE ISLAND REGULATORY AND APPEALS COMMISSION
Prince Edward Island
Île-du-Prince-Édouard
CANADA

# Petroleum Prices

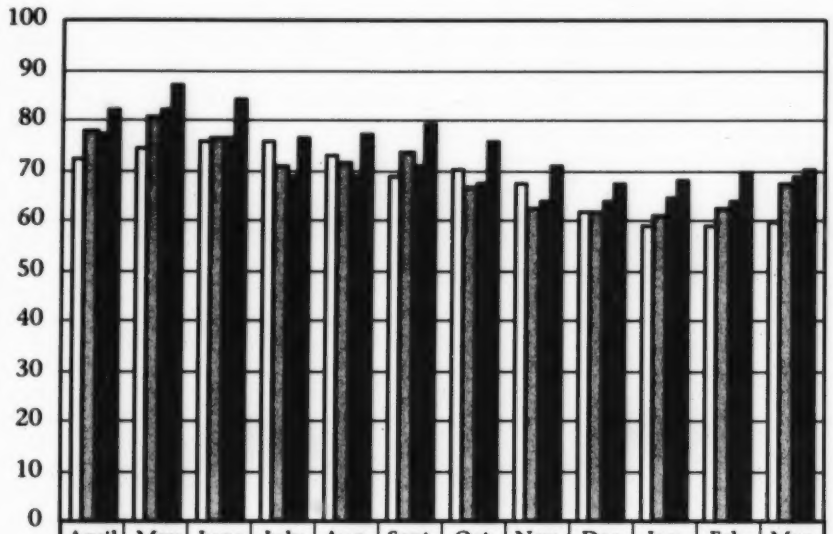
Following are the approved pump prices in cents per litre of gasolines and diesel fuels in P.E.I., as of March 1, 2002. Dealers may price anywhere within the following ranges provided *allowable dealer markups are consistently applied to all grades of gasoline, and at split-serve outlets, self-serve prices are at least one cent per litre below full-serve prices.

| BRAND | Full-Serve Pump Prices MIN. *(5.0) | Full-Serve Pump Prices MAX. (6.5) | Self-Serve Pump Prices MIN. (4.0) | Self-Serve Pump Prices MAX. (5.5) |
|---|---|---|---|---|
| **ULTRAMAR** | | | | |
| Regular Unleaded | 59.8 | 61.4 | 58.7 | 60.3 |
| Mid-Grade Unleaded | 62.0 | 63.6 | 60.9 | 62.5 |
| Premium Unleaded | 64.0 | 65.6 | 62.9 | 64.5 |
| Low Sulphur Diesel | 59.0 | 60.6 | 57.9 | 59.5 |
| **SHELL CANADA** | | | | |
| Regular Unleaded | 59.5 | 61.1 | 58.4 | 60.0 |
| Mid-Grade Unleaded | 61.6 | 63.2 | 60.6 | 62.2 |
| Premium Unleaded | 63.7 | 65.3 | 62.6 | 64.2 |
| Low Sulphur Diesel | 58.5 | 60.1 | 57.5 | 59.1 |
| **IMPERIAL OIL** | | | | |
| Regular Unleaded | 59.8 | 61.4 | 58.7 | 60.3 |
| Mid-Grade Unleaded | 62.0 | 63.6 | 60.9 | 62.5 |
| Premium Unleaded | 64.0 | 65.6 | 62.9 | 64.5 |
| Low Sulphur Diesel | 58.6 | 60.2 | 57.6 | 59.2 |
| **IRVING OIL** | | | | |
| Regular Unleaded | 59.6 | 61.2 | 58.5 | 60.1 |
| Mid-Grade Unleaded | 61.7 | 63.3 | 60.7 | 62.3 |
| Premium Unleaded | 63.8 | 65.4 | 62.7 | 64.3 |
| Low Sulphur Diesel | 59.0 | 60.6 | 57.9 | 59.5 |
| **PETRO-CANADA** | | | | |
| Regular Unleaded | 59.5 | 61.1 | 58.4 | 60.0 |
| Mid-Grade Unleaded | 61.6 | 63.2 | 60.6 | 62.2 |
| Premium Unleaded | 63.7 | 65.3 | 62.6 | 64.2 |
| Low Sulphur Diesel | 58.6 | 60.2 | 57.6 | 59.2 |
| **CO-OP ATLANTIC** | | | | |
| Regular Unleaded | 59.9 | 61.5 | | |
| Mid-Grade Unleaded | 62.1 | 63.7 | | |
| Premium Unleaded | 64.1 | 65.7 | N/A | |
| Low Sulphur Diesel | 59.4 | 61.0 | | |

**POSTED FURNACE FUEL PRICES are as follows, PLUS 7% GST:**

| | | | |
|---|---|---|---|
| **ULTRAMAR** | 38.1 | **IRVING OIL** | 38.1 |
| **SHELL CANADA** | 37.3 | **PETRO-CANADA** | 37.6 |
| **IMPERIAL OIL** | 37.6 | **CO-OP ATLANTIC** | 37.8 |

**Regular Unleaded - Cents per Litre - Atlantic Region**
April, 2001 to March, 2002




| | April 2001 | May 2001 | June 2001 | July 2001 | Aug. 2001 | Sept. 2001 | Oct. 2001 | Nov. 2001 | Dec. 2001 | Jan. 2002 | Feb. 2002 | Mar. 2002 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ch'town | 73.2 | 75.2 | 76.6 | 76.6 | 73.6 | 69.8 | 71.2 | 68 | 62.3 | 59.8 | 59.7 | 60.2 |
| Halifax | 78.4 | 81.9 | 77.2 | 71.7 | 72.1 | 74.3 | 67.7 | 63.1 | 62.1 | 61.8 | 63 | 67.8 |
| Fredericton | 77.7 | 82.7 | 77.2 | 69.6 | 69.7 | 71.9 | 68.3 | 64.4 | 64.4 | 64.9 | 64.4 | 69.3 |
| St. John's | 82.9 | 88.1 | 84.9 | 77.5 | 77.7 | 79.9 | 76.3 | 71.5 | 68.2 | 68.9 | 70.1 | 71.1 |

TABLE 1

**Summary of Licenses Issued Under the Petroleum Products Act**

| Year | Total | Wholesalers | Retail Outlets | Retail Distributors | Tank Trucks |
|---|---|---|---|---|---|
| 2001 | 339 | 9 | 208 | 27 | 95 |
| 2000 | 356 | 9 | 222 | 27 | 98 |
| 1999 | 361 | 9 | 224 | 27 | 101 |
| 1998 | 364 | 9 | 225 | 30 | 100 |
| 1997 | 380 | 9 | 227 | 35 | 109 |
| 1996 | 395 | 8 | 247 | 34 | 106 |
| 1995 | 405 | 7 | 255 | 35 | 108 |
| 1994 | 414 | 8 | 264 | 36 | 106 |
| 1993 | 420 | 8 | 272 | 36 | 104 |
| 1992 | 426 | 8 | 274 | 36 | 108 |

Note: In addition to the above-noted licenses, since 1992, Slemon Park Corporation has been licensed with respect to the sale of aviation fuels.

TABLE 2

**Summary of Retail Outlets by Classification**

| Year | Total | Stations* | Merchants | Garages | Marine | Propane |
|---|---|---|---|---|---|---|
| 2001 | 208 | 49 | 68 | 9 | 75 | 7 |
| 2000 | 222 | 56 | 71 | 10 | 77 | 8 |
| 1999 | 224 | 66 | 63 | 10 | 78 | 7 |
| 1998 | 225 | 69 | 60 | 10 | 78 | 8 |
| 1997 | 227 | 77 | 55 | 11 | 75 | 9 |
| 1996 | 247 | 87 | 50 | 11 | 87 | 12 |
| 1995 | 255 | 91 | 51 | 12 | 89 | 12 |
| 1994 | 264 | 98 | 50 | 13 | 91 | 12 |
| 1993 | 272 | 105 | 50 | 13 | 93 | 11 |
| 1992 | 274 | 106 | 51 | 14 | 92 | 11 |

* Includes Commercial Diesel Cardlocks

TABLE 3

**Summary of Petroleum Products Sold** (in litres)

| Year | Total | Gasoline | Fuel Oils | Diesel | Propane |
|---|---|---|---|---|---|
| 2001 | 494,890,707 | 208,970,074 | 180,317,704 | 85,272.665 | 20,330,264 |
| 2000 | 490,297,347 | 209,630,327 | 187,808,918 | 73,596,810 | 19,261,292 |
| 1999 | 472,646,329 | 209,254,079 | 170,140,141 | 74,360,432 | 18,891,677 |
| 1998 | 462,011,050 | 195,446,662 | 170,331,531 | 77,797,268 | 18,435,589 |
| 1997 | 478,756,167 | 193,759,312 | 189,509,152 | 75,629,092 | 19,858,611 |
| 1996 | 462,822,031 | 191,452,938 | 172,685,213 | 77,550,021 | 21,133,859 |
| 1995 | 449,514,976 | 186,554,592 | 171,323,704 | 72,173,046 | 19,463,634 |
| 1994 | 445,284,824 | 185,149,709 | 179,361,223 | 61,693,597 | 19,080,313 |
| 1993 | 428,573,875 | 177,959,704 | 177,041,370 | 55,546,736 | 18,026,065 |
| 1992 | 409,415,920 | 173,188,232 | 164,002,469 | 54,890,642 | 17,334,577 |

TABLE 4

***Retail Dealers - Gasoline Volume Statistics**

| Year | Volume (Litres) | Number of Outlets | Average Volume/Outlet |
|---|---|---|---|
| 2001 | 193,792,185 | 124 | 1,562,840 |
| 2000 | 196,103,662 | 135 | 1,452,619 |
| 1999 | 196,411,799 | 137 | 1,433,663 |
| 1998 | 185,286,424 | 140 | 1,323,474 |
| 1997 | 179,614,986 | 141 | 1,273,865 |
| 1996 | 175,216,972 | 146 | 1,200,116 |
| 1995 | 171,511,737 | 152 | 1,128,367 |
| 1994 | 168,349,978 | 159 | 1,058,805 |
| 1993 | 162,234,393 | 166 | 977,316 |
| 1992 | 157,574,624 | 170 | 926,910 |

* Service Stations/Garages/General Merchants

FIGURE 1

**Summary of Retail Outlets**

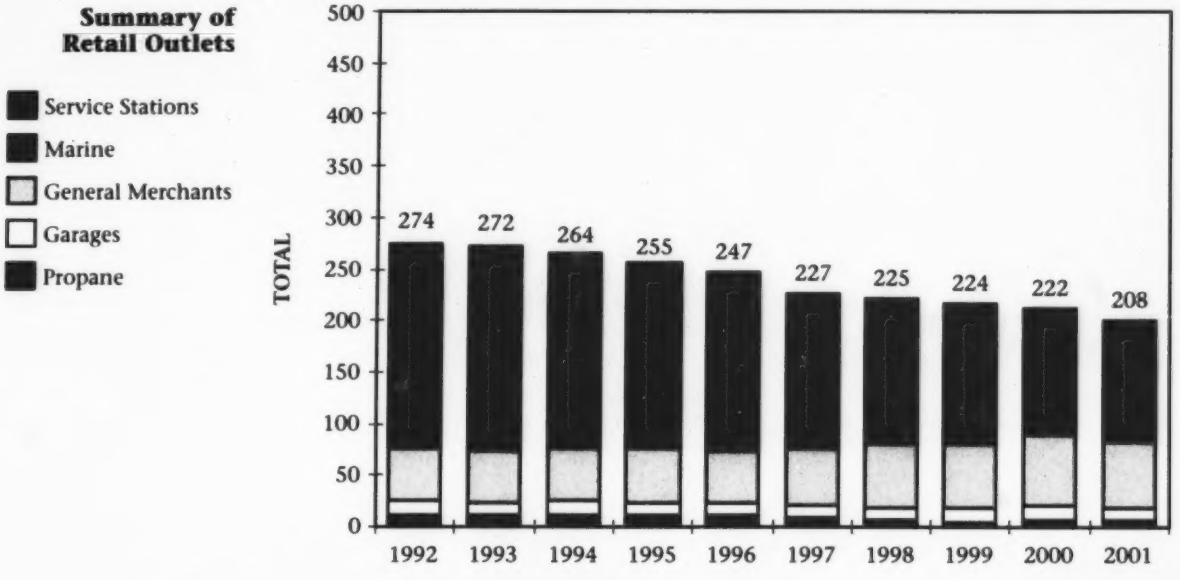



FIGURE 2

**Summary of Total Sales**

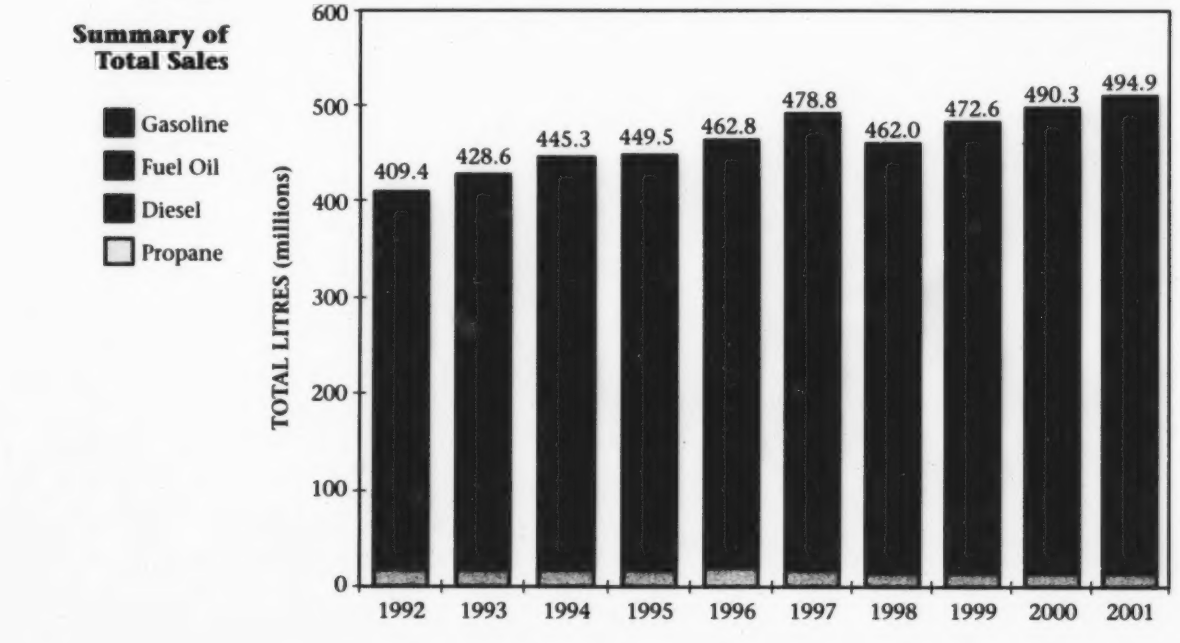


FIGURE 3

**Summary of Gasoline Sales Retail**
(Excluding Marine)

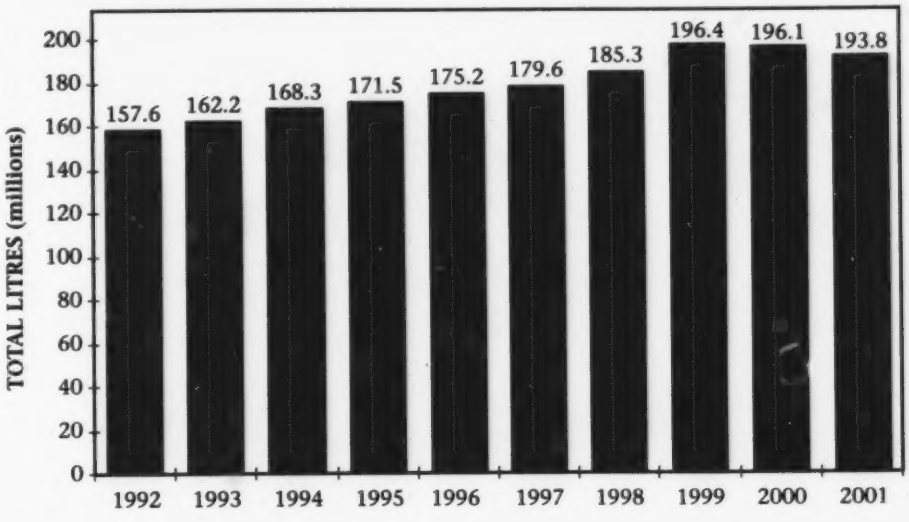



FIGURE 4

**Summary of Total Gasoline Sales**

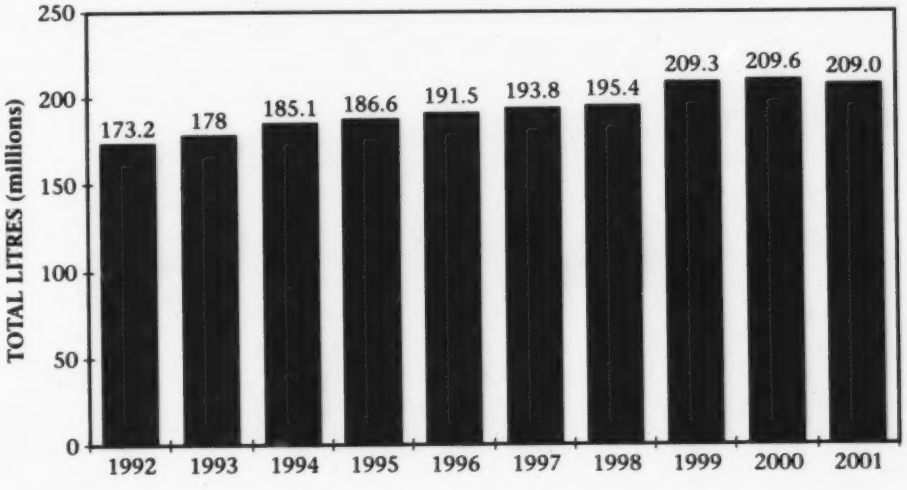


FIGURE 5

**Sales of Gasoline by Grades**

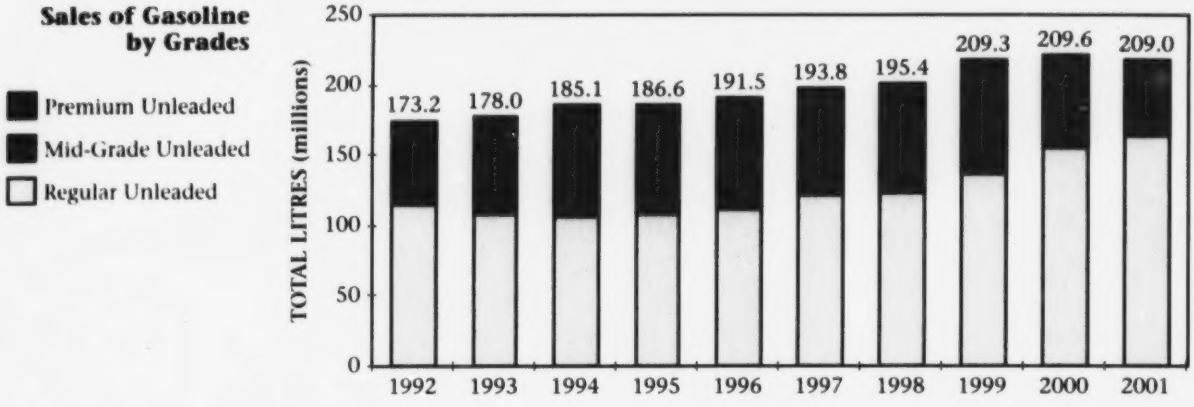
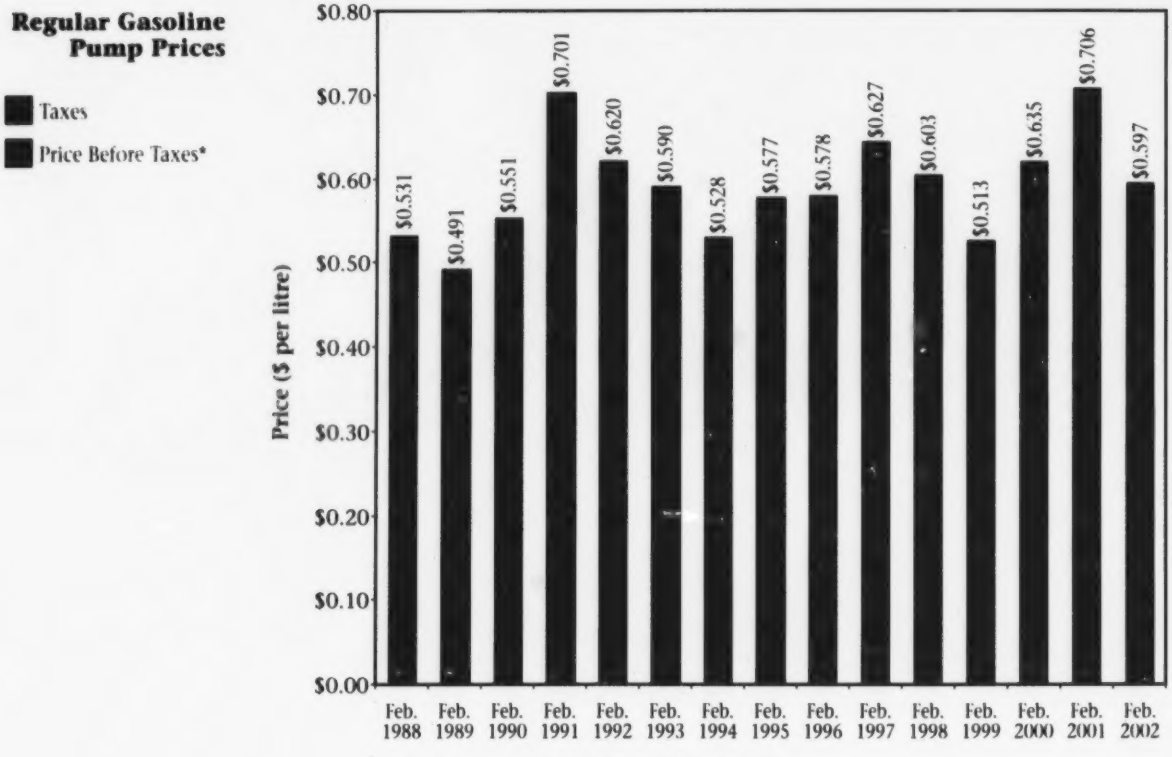



FIGURE 6

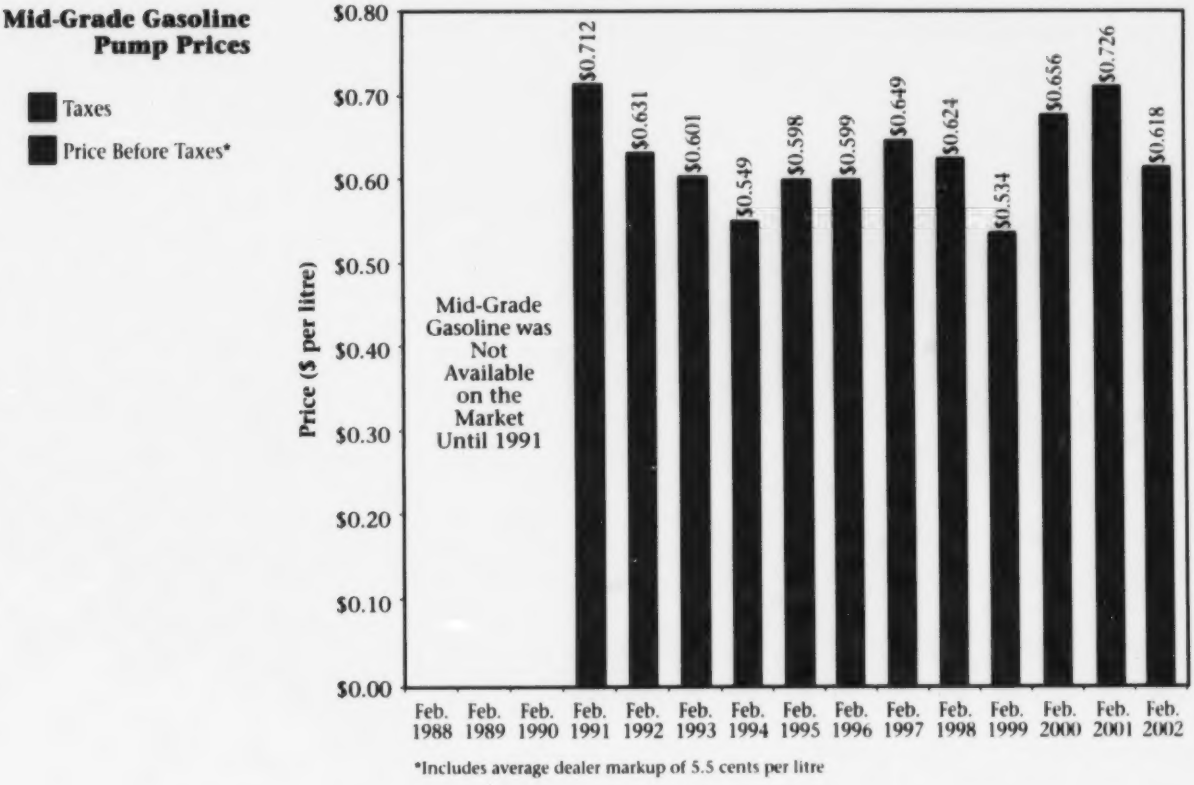
**Regular Gasoline Pump Prices**




*Includes average dealer markup of 5.5 cents per litre

FIGURE 7

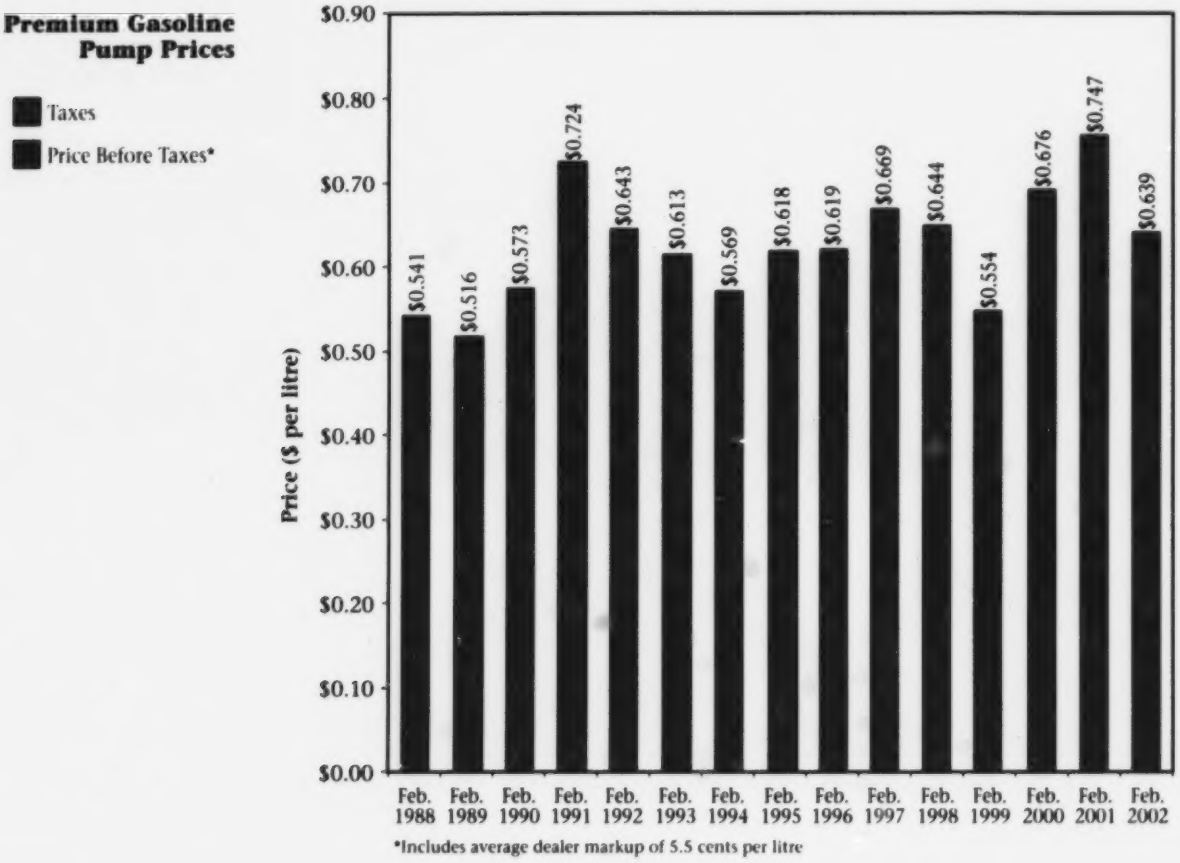
**Mid-Grade Gasoline Pump Prices**




*Includes average dealer markup of 5.5 cents per litre

FIGURE 8

**Premium Gasoline Pump Prices**




*Includes average dealer markup of 5.5 cents per litre

**Summary of Non-Petroleum Orders Issued**
1 April 2001 to
31 March 2002

| Date | Order No. | Re. |
|---|---|---|
| Nov. 22/01 | UW01-1 | Montague Sewage and Water Collection and Treatment Corporation<br>An application for metered water and sewer rates, effective January 1, 2002 (UW22306). |
| Jan. 16/02 | UT02-01 | MR & S Management Inc. v. Provincial Tax Commissioner<br>A tax appeal against a decision of the Provincial Tax Commissioner, dated December 21, 2000 (UT01101) |
| Feb. 7/02 | UW02-1 | Montague Sewage and Water Collection and Treatment Corporation<br>An application for an amendment to the tariff of metered water and sewer rates (UW22306). |
| Feb. 8/02 | UW02-02 | Tignish Sewage Collection and Water Distribution Corporation<br>An application for an increase in sewer rates, effective January 1, 2002 (UW09306). |
| Mar. 21/02 | UT02-02 | MR & S Management Inc. v. Provincial Tax Commissioner<br>An application by the Provincial Tax Commissioner for a review of Commission Order UT02-01 (UT01101). |

FIGURE 1

**Single-Family Dwelling Charge Sewerage Utilities**

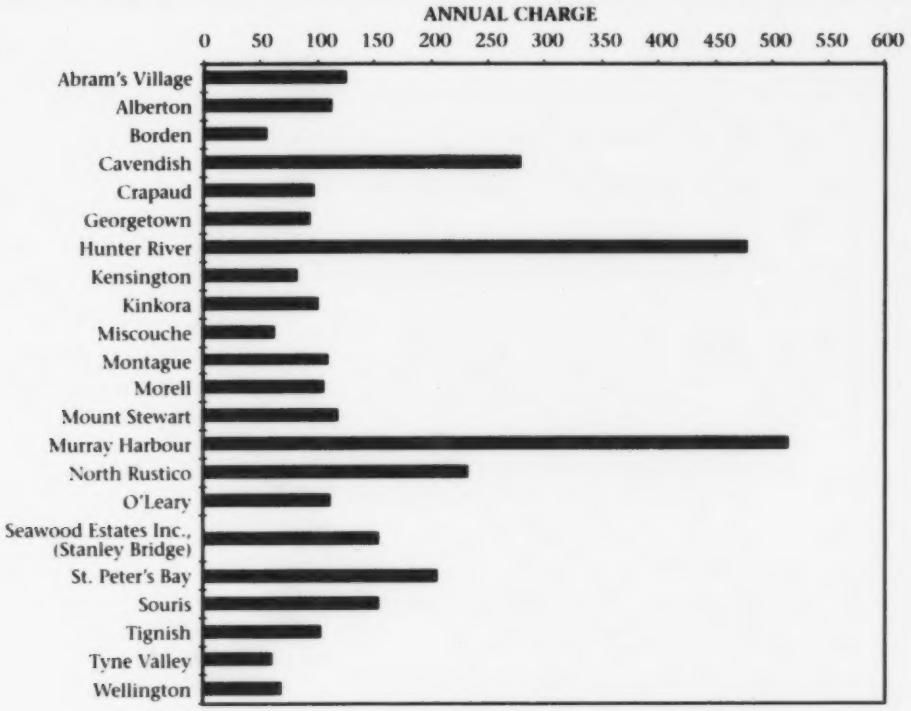


FIGURE 2

**Single-Family Dwelling Charge Water Utilities**

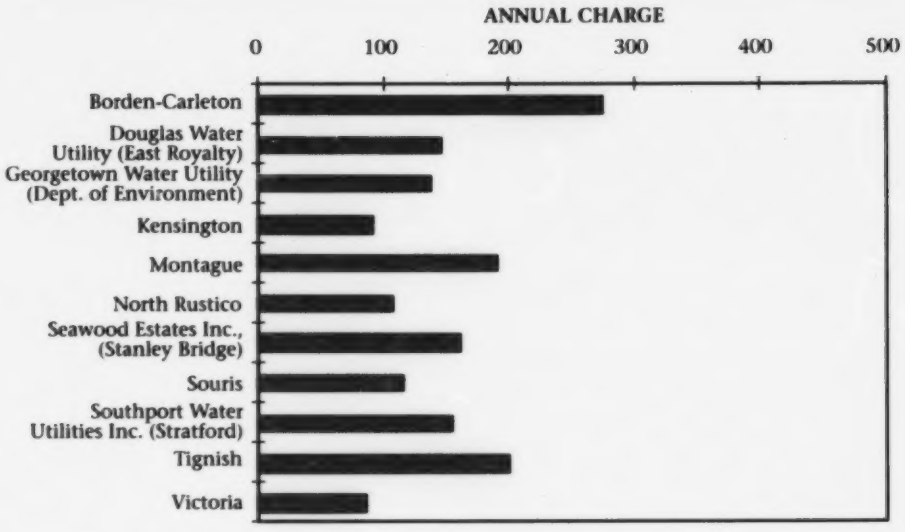
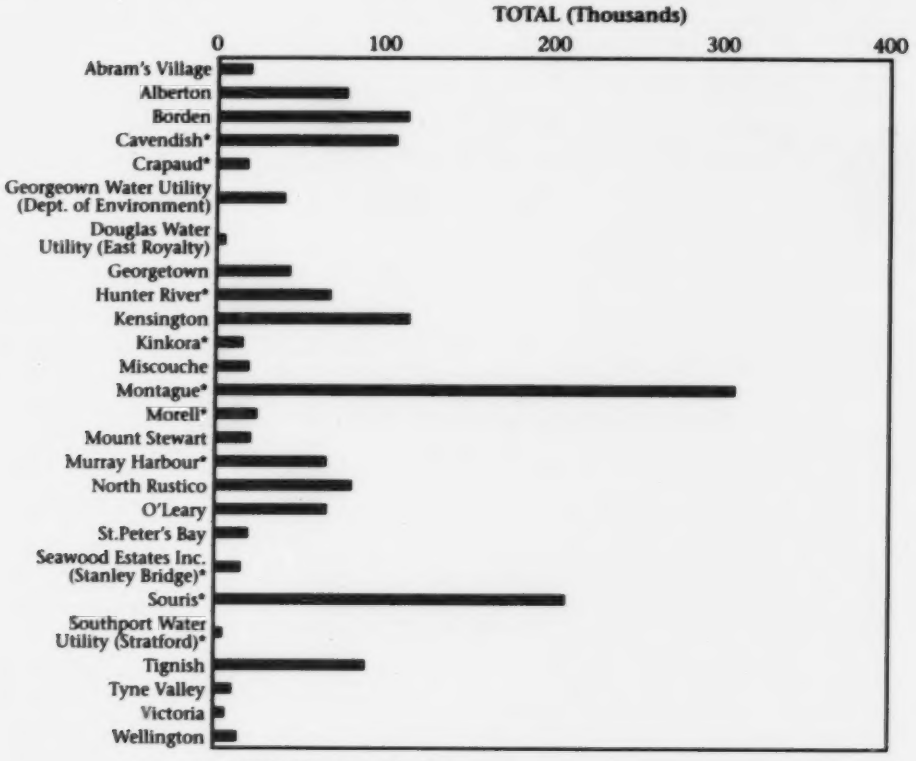


FIGURE 3

**Municipal Water and Sewerage Utilities 2001 Total Revenues**




* 2001 Unreported - Figures are Based on Previous Years

FIGURE 1

**Electricity Costs Compared to the Consumer Price Index**
January 1, 1992 - December 31, 2001

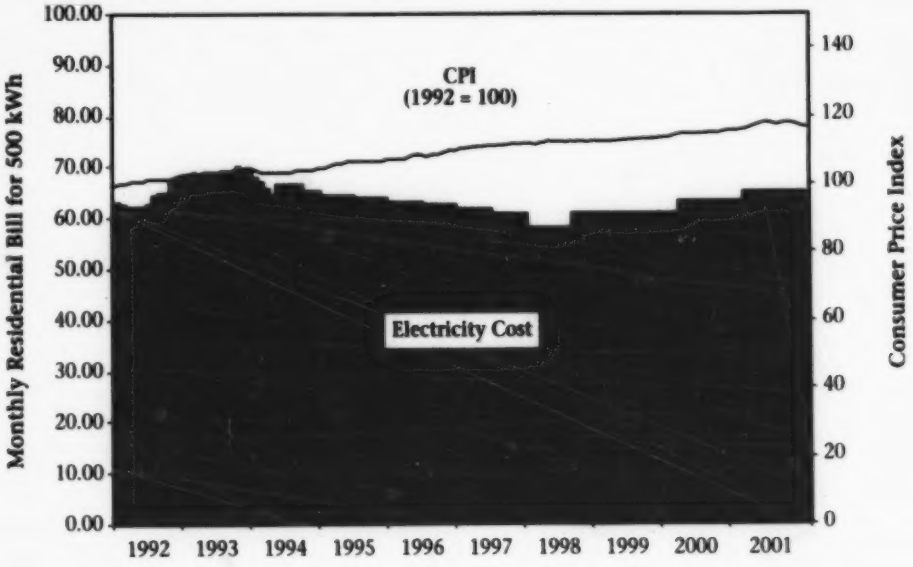
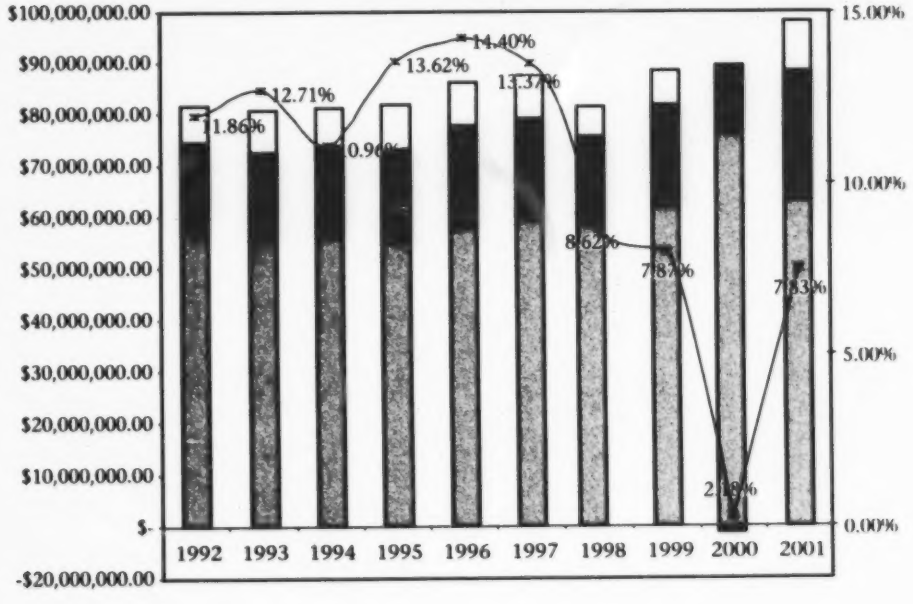



FIGURE 2

**Selected Financial Data**



**Public Utilities**
**Maritime Electric**

FIGURE 3

**Selected Operating Data**

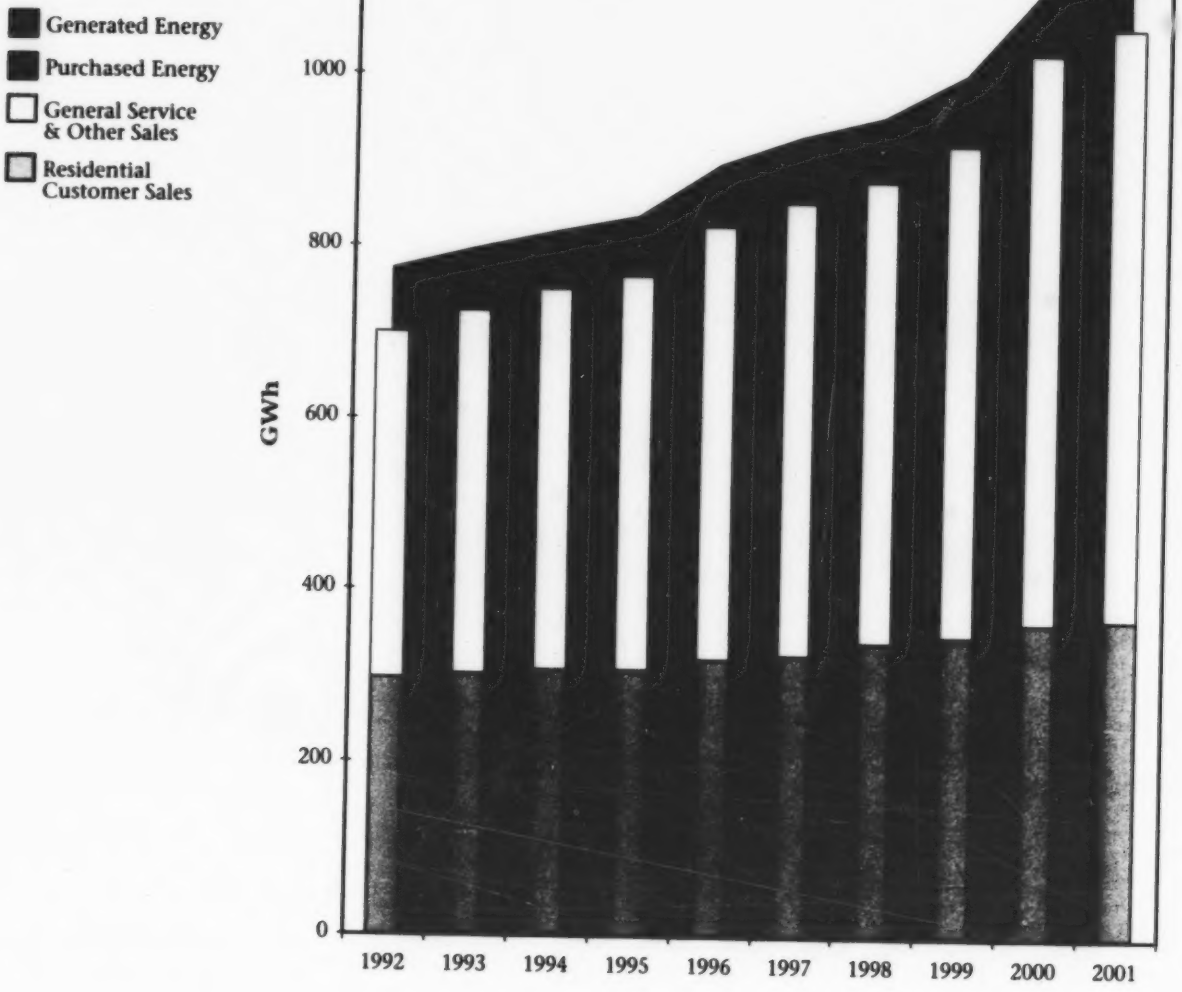


FIGURE 1

**Electricity Costs Compared to the Consumer Price Index**
January 1, 1992 - December 31, 2001

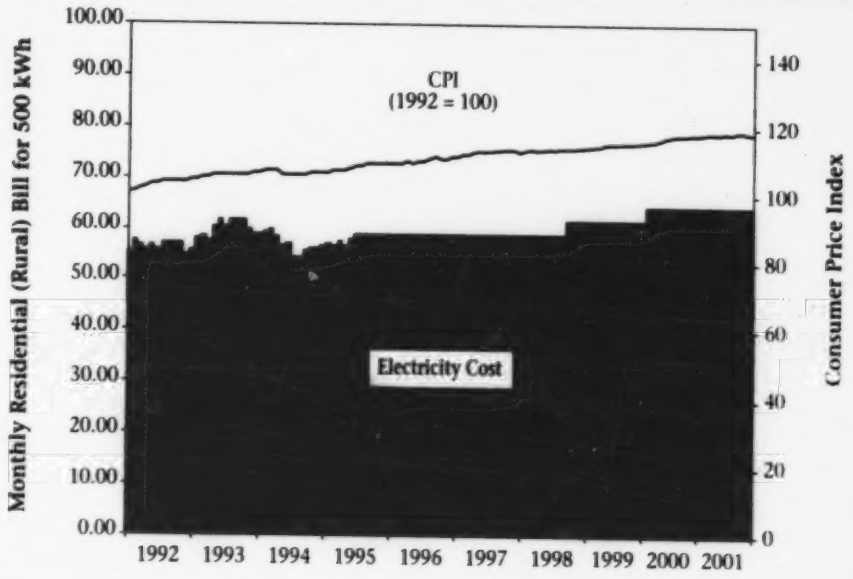
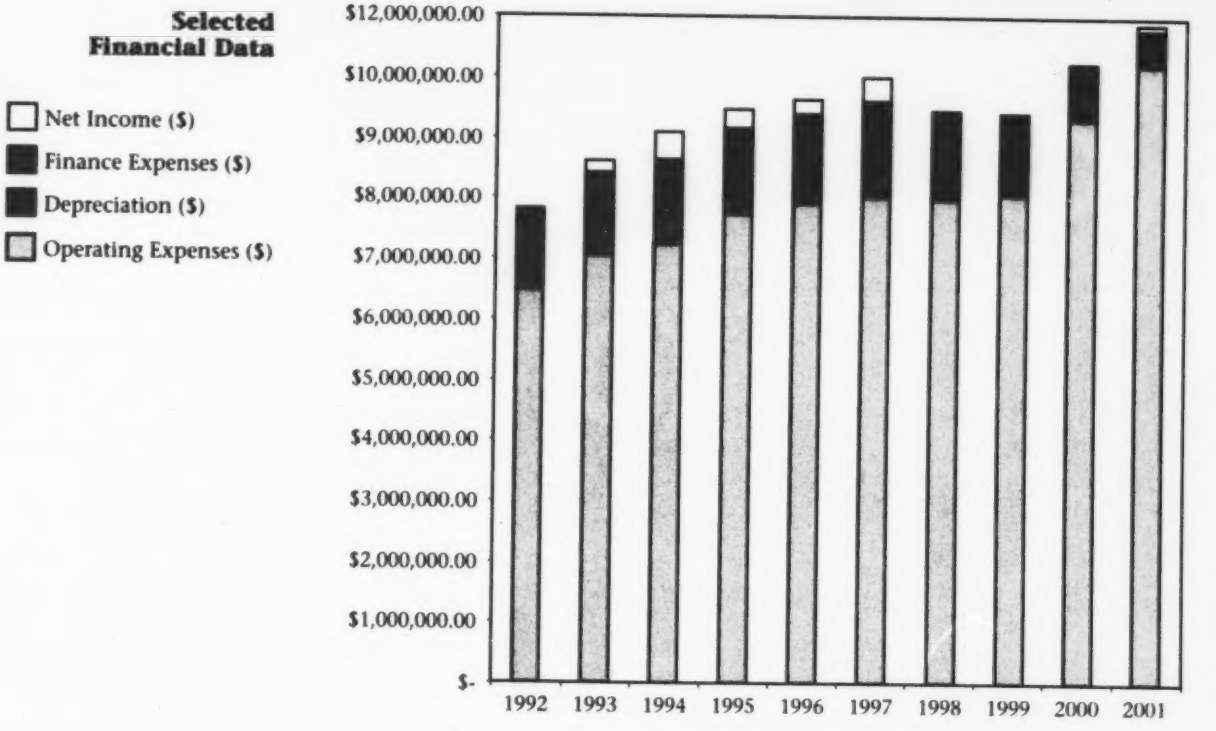



FIGURE 2

**Selected Financial Data**



**Public Utilities**
**Summerside Electric**

FIGURE 3

**Selected Operating Data**